

## Senate Bill No. 542

### CHAPTER 480

An act to amend Sections 5208, 5212, 5234, 5246, 17000, 17211, 17300, 17302, 17304, 17305, 17306, 17310, 17312, 17400, 17404, 17406, 17415, 17430, 17500, 17600, 17602, 17604, 17704, 17706, and 17710 of, and to add Section 17501 and 17700 to, the Family Code, to amend Sections 19271 and 19272 of, and to add Section 19275 to, the Revenue and Taxation Code, to amend Section 1088.8 of the Unemployment Insurance Code, to amend and renumber Section 18205 of, and to repeal Section 15200.81 of, the Welfare and Institutions Code, relating to social services.

[Approved by Governor September 24, 1999. Filed  
with Secretary of State September 27, 1999.]

#### LEGISLATIVE COUNSEL'S DIGEST

SB 542, Burton. Child support enforcement.

Existing law provides for the implementation and administration of procedures for securing child and spousal support and determining paternity and sets forth the duties and functions of specified state and local entities for this purpose.

This bill would recast those provisions and would make conforming changes to reflect those recast provisions.

*The people of the State of California do enact as follows:*

SECTION 1. Section 5208 of the Family Code is amended to read:

5208. (a) "Earnings assignment order for support" means an order that assigns to an obligee a portion of the earnings of a support obligor due or to become due in the future.

(b) Commencing January 1, 2000, all earnings assignment orders for support in any action in which child support or family support is ordered shall be issued on an "order/notice to withhold income for child support" mandated by Section 666 of Title 42 of the United States Code.

SEC. 2. Section 5212 of the Family Code is amended to read:

5212. "IV-D Case" means any case being established, modified, or enforced by the local child support agency pursuant to Section 654 of Title 42 of the United States Code (Section 454 of the Social Security Act).

SEC. 3. Section 5234 of the Family Code is amended to read:

5234. Within 10 days of service of an assignment order or an order/notice to withhold income for child support on an employer, the employer shall deliver both of the following to the obligor:

(a) A copy of the assignment order or the order/notice to withhold income for child support.

(b) A written statement of the obligor's rights under the law to seek to quash, modify, or stay service of the earnings assignment order, together with a blank form that the obligor can file with the court to request a hearing to quash, modify, or stay service of the earnings assignment order with instructions on how to file the form and obtain a hearing date.

SEC. 4. Section 5246 of the Family Code is amended to read:

5246. (a) This section applies only to Title IV-D cases where support enforcement services are being provided by the local child support agency pursuant to Section 17400.

(b) In lieu of an earnings assignment order signed by a judicial officer, the local child support agency may serve on the employer a notice of assignment in the manner specified in Section 5232. An order/notice to withhold income for child support shall have the same force and effect as an earnings assignment order signed by a judicial officer. An order/notice to withhold income from child support, when used under this section, shall be considered a notice and shall not require the signature of a judicial officer.

(c) Pursuant to Section 666 of Title 42 of the United State Code, the federally mandated order/notice to withhold income for child support shall be used for the purposes described in this section.

(d) If the underlying court order for support does not provide for an arrearage payment, or if an additional arrearage accrues after the date of the court order for support, the local child support agency may send an order/notice to withhold income for child support that shall be used for the purposes described in this section directly to the employer which specifies the updated arrearage amount and directs the employer to withhold an additional amount to be applied towards liquidation of the arrearages not to exceed the maximum amount permitted by Section 1673(b) of Title 15 of the United States Code. The Franchise Tax Board, in support of its responsibility for accounts receivable management of delinquent child support obligations pursuant to Section 17501, may send an order/notice to withhold income for child support directly to the employer that specifies the updated arrearage amount and directs the employer to withhold an additional amount to be applied to the liquidation of the arrearages. Any order/notice to withhold income for child support issued by the Franchise Tax Board shall be issued in the name of the local child support agency.

(e) If the obligor requests a hearing, a hearing date shall be scheduled within 20 days of the filing of the request with the court. The clerk of the court shall provide notice of the hearing to the local child support agency and the obligor no later than 10 days prior to the hearing.

(1) If at the hearing the obligor establishes that he or she is not the obligor or good cause or an alternative arrangement as provided in Section 5260, the court may order that service of the order/notice to withhold income for child support be quashed. If the court quashes service of the order/notice to withhold income for child support, the local child support agency shall notify the employer within 10 days.

(2) If the obligor contends at the hearing that the payment of arrearages at the rate specified in the order/notice to withhold income for child support is excessive or that the total arrearages owing is incorrect, and if it is determined that payment of the arrearages at the rate specified in this section creates an undue hardship upon the obligor or that the withholding would exceed the maximum amount permitted by Section 1673(b) of Title 15 of the United States Code Annotated, the rate at which the arrearages must be paid shall be reduced to a rate that is fair and reasonable considering the circumstances of the parties and the best interest of the child. If it is determined at a hearing that the total amount of arrearages calculated is erroneous, the court shall modify the amount calculated to the correct amount. If the court modifies the total amount of arrearages owed or reduces the monthly payment due on the arrearages, the local child support agency shall serve the employer with an amended order/notice to withhold income for child support within 10 days.

(f) If an obligor's current support obligation has terminated by operation of law, the local child support agency may serve an order/notice to withhold income for child support on the employer which directs the employer to continue withholding from the obligor's earnings an amount to be applied towards liquidation of the arrearages, not to exceed the maximum amount permitted by Section 1673(b) of Title 15 of the United States Code, until such time that the employer is notified by the local child support agency that the arrearages have been paid in full. The employer shall provide the obligor with a copy of the order/notice to withhold income for child support and a blank form that the obligor may file with the court to request a hearing to modify or quash the assignment with instructions on how to file the form and obtain a hearing date. The obligor shall be entitled to the same rights to a hearing as specified in subdivision (e).

(g) The local child support agency shall retain a copy of the order/notice to withhold income for child support and shall file a copy with the court whenever a hearing concerning the order/notice to withhold income for child support is requested.

(h) The local child support agency may transmit an order/notice to withhold income for child support and other forms required by this section to the employer through electronic means.

SEC. 5. Section 17000 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17000. The definitions contained in this section, and definitions applicable to Division 9 (commencing with Section 3500), shall govern the construction of this division, unless the context requires otherwise.

(a) “Child support debt” means the amount of money owed as child support pursuant to a court order.

(b) “Child support order” means any court order for the payment of a set or determinable amount of support by a parent or a court order requiring a parent to provide for health insurance coverage. “Child support order” includes any court order for spousal support or for medical support to the extent these obligations are to be enforced by a single state agency for child support under Title IV-D.

(c) “Court” means any superior court of this state and any court or tribunal of another state that has jurisdiction to determine the liability of persons for the support of another person.

(d) “Court order” means any judgment, decree, or order of any court of this state that orders the payment of a set or determinable amount of support by a parent. It does not include any order or decree of any proceeding in which a court did not order support.

(e) “Department” means the Department of Child Support Services.

(f) “Dependent child” means any of the following:

(1) Any person under 18 years of age who is not emancipated, self-supporting, married, or a member of the armed forces of the United States.

(2) Any unmarried person who is at least 18 years of age but who has not reached his or her 19th birthday, is not emancipated, and is a student regularly attending high school or a program of vocational or technical training designed to train that person for gainful employment.

(g) “Director” means the Director of Child Support Services or his or her authorized representative.

(h) “Local child support agency” means the county department of child support services created pursuant to this chapter and with which the department has entered into a cooperative agreement, to secure child and spousal support, medical support, and determine paternity.

(i) “Parent” means the natural or adoptive father or mother of a dependent child, and includes any person who has an enforceable obligation to support a dependent child.

(j) “Public assistance” means any amount paid under the California Work Opportunity and Responsibility to Kids Act (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code), or any Medi-Cal benefit, for the benefit of any dependent child or the caretaker of a child.

(k) “Public assistance debt” means any amount paid under the California Work Opportunity and Responsibility to Kids Act,

contained in Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code, for the benefit of any dependent child or the caretaker of a child for whom the department is authorized to seek recoupment under this division, subject to applicable federal law.

(l) “Title IV-D” or “IV-D” means Part D of Title IV of the federal Social Security Act (42 U.S.C. Sec. 651 et seq.).

SEC. 6. Section 17211 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17211. The department shall administer the Child Support Assurance Demonstration Project established by Article 5 (commencing with Section 18241) of Chapter 3.3 of Part 6 of the Welfare and Institutions Code, and the county demonstration projects to provide employment and training services to nonsupporting noncustodial parents authorized by Section 18205.5 of the Welfare and Institutions Code. However, the department may contract with the State Department of Social Services to continue development and implementation of these demonstration projects until they have been fully implemented. After the demonstration projects have been fully implemented, the department shall consult with the State Department of Social Services on the administration of the projects. The contracts for evaluation of the demonstration projects shall continue to be maintained by the State Department of Social Services. The department shall be responsible for the final evaluation of the projects.

SEC. 6.5. Section 17300 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session of the Legislature, is amended to read:

17300. With the consent of the Senate, the Governor shall appoint, to serve at his or her pleasure, an executive officer who shall be director of the department. In making the appointment the Governor shall consider training, demonstrated ability, experience, and leadership in organized child support enforcement administration. The director shall receive the salary provided for by Chapter 6 (commencing with Section 11550), Part 1, Division 3, Title 2 of the Government Code.

The Governor also may appoint, to serve at his or her pleasure, not to exceed two chief deputy directors of the department, and one deputy director of the department. The salaries of the chief deputy directors and the deputy director shall be fixed in accordance with law.

SEC. 7. Section 17302 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17302. The director shall do all of the following:

- (a) Be responsible for the management of the department.



(b) Administer all federal and state laws and regulations pertaining to the administration of child support enforcement obligations.

(c) Perform all duties as may be prescribed by law, and any other administrative and executive duties imposed by law.

(d) Observe, and report to the Governor, the Legislature, and the public on, the conditions of child support enforcement activities throughout the state pursuant to subdivision (e) of Section 17602.

SEC. 8. Section 17304 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17304. To address the concerns stated by the Legislature in Section 17303, each county shall establish a new county department of child support services. Each department is also referred to in this division as the local child support agency. The local child support agency shall be separate and independent from any other county department and shall be responsible for promptly and effectively establishing, modifying, and enforcing child support obligations, including medical support, enforcing spousal support orders established by a court of competent jurisdiction, and determining paternity in the case of a child born out of wedlock. The local child support agency shall refer all cases requiring criminal enforcement services to the district attorney and the district attorney shall prosecute those cases, as appropriate. If a district attorney fails to comply with this section, the director shall notify the Attorney General and the Attorney General shall take appropriate action to secure compliance. The director shall be responsible for implementing and administering all aspects of the state plan that direct the functions to be performed by the local child support agencies relating to their Title IV-D operations. In developing the new system, all of the following shall apply:

(a) The director shall negotiate and enter into cooperative agreements with county and state agencies to carry out the requirements of the state plan and provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations as required pursuant to Section 654 of Title 42 of the United States Code. The cooperative agreements shall require that the local child support agencies are reasonably accessible to the citizens of each county and are visible and accountable to the public for their activities. The director, in consultation with the impacted counties, may consolidate the local child support agencies, or any function of the agencies, in more than one county into a single local child support agency, if the director determines that the consolidation will increase the efficiency of the state Title IV-D program and each county has at least one local child support office accessible to the public.

(b) The director shall have direct oversight and supervision of the Title IV-D operations of the local child support agency, and no other



local or state agency shall have any authority over the local child support agency as to any function relating to its Title IV-D operations. The local child support agency shall be responsible for the performance of child support enforcement activities required by law and regulation in a manner prescribed by the department. The administrator of the local child support agency shall be responsible for reporting to and responding to the director on all aspects of the child support program.

(c) Nothing in this section prohibits the local child support agency, with the prior approval of the director, from entering into cooperative arrangements with other county departments, as necessary to carry out the responsibilities imposed by this section pursuant to plans of cooperation submitted to the department and approved by the director. The local child support agency may not enter into a cooperative agreement or contract with any county department or independently elected official, including the office of the district attorney, to run, supervise, manage, or oversee the Title IV-D functions of the local child support agency. Until September 1, 2004, the local child support agency may enter into a cooperative agreement or contract of restricted scope and duration with a district attorney to utilize individual attorneys as necessary to carry out limited attorney services. Any cooperative agreement or contract for the attorney services shall be subject to approval by the department and contingent upon a written finding by the department that either the relatively small size of the local child support agency program, or other serious programmatic needs, arising as a result of the transition make it most efficient and cost-effective to contract for limited attorney services. The department shall ensure that any cooperative agreement or contract for attorney services provides that all attorneys be supervised by, and report directly to, the local child support agency, and comply with all state and federal child support laws and regulations. The office of the Legislative Analyst shall review and assess the efficiency and effectiveness of any such cooperative agreement or contract, and shall report its findings to the Legislature by January 1, 2004. Within 60 days of receipt of a plan of cooperation or contract from the local child support agency, the department shall either approve the plan of cooperation or contract or notify the agency that the plan is denied. If an agency is notified that the plan is denied, the agency shall have the opportunity to resubmit a revised plan of cooperation or contract. If the director fails to respond in writing within 60 days of receipt, the plan shall otherwise be deemed approved. Nothing in this section shall be deemed an approval of program costs relative to the cooperative arrangements entered into by the counties with other county departments.

(d) In order to minimize the disruption of services provided and to capitalize on the expertise of employees, the director shall create



a program that builds on existing staff and facilities to the fullest extent possible. All assets of the family support division in the district attorney's office shall become assets of the local child support agency.

(e) (1) All employees and other personnel who serve the office of the district attorney and perform child support collection and enforcement activities shall become the employees and other personnel of the county child support agency at their existing or equivalent classifications, and at their existing salaries and benefits that include, but are not limited to, accrued and unused vacation, sick leave, personal leave, and health and pension plans.

(2) Permanent employees of the office of the district attorney on the effective date of this chapter shall be deemed qualified, and no other qualifications shall be required for employment or retention in the county child support agency. Probationary employees on the effective date of this chapter shall retain their probationary status and rights, and shall not be deemed to have transferred, so as to require serving a new probationary period.

(3) Employment seniority of an employee of the office of the district attorney on the effective date of this chapter shall be counted toward seniority in the county child support agency and all time spent in the same, equivalent, or higher classification shall be counted toward classification seniority.

(4) An employee organization that has been recognized as the representative or exclusive representative of an established appropriate bargaining unit of employees who perform child support collection and enforcement activities shall continue to be recognized as the representative or exclusive representative of the same employees of the county.

(5) An existing memorandum of understanding or agreement between the county or the office of the district attorney and the employee organization shall remain in effect and be fully binding on the parties involved for the term of the agreement.

(6) Nothing in this section shall be construed to limit the rights of employees or employee organizations to bargain in good faith on matters of wages, hours, or other terms and conditions of employment, including the negotiation of workplace standards within the scope of bargaining as authorized by state and federal law.

(7) (A) Except as provided in subparagraph (B), a public agency shall, in implementing programs affected by the act of addition or amendment of this chapter to this code, perform program functions exclusively through the use of civil service employees of the public agency.

(B) Prior to transition from the district attorney to the local child support agency under Section 17305, the district attorney may continue existing contracts and their renewals, as appropriate. After the transition under Section 17305, any contracting out of program functions shall be approved by the director. The director shall



approve or disapprove a proposal to contract out within 60 days. Failure of the director to respond to a request to contract out within 60 days after receipt of the request shall be deemed approval, unless the director submits an extension to respond, which in no event shall be longer than 30 days.

(f) The administrator of the local child support agency shall be an employee of the county selected by the board of supervisors pursuant to the qualifications established by the department. The administrator may hire staff, including attorneys, to fulfill the functions required by the agency and in conformity with any staffing requirements adopted by the department, including all those set forth in Section 17306. All staff shall be employees of the county and shall comply with all local, state, and federal child support laws, regulations, and directives.

SEC. 9. Section 17305 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17305. (a) In order to achieve an orderly and timely transition to the new system with minimal disruption of services, the director shall begin the transition from the office of the district attorney to the local child support agencies pursuant to Section 17304, commencing January 1, 2001. The director shall transfer the appropriate number of counties, equaling at least 50 percent of the statewide caseload into the new system by January 1, 2002. The transition shall be completed by January 1, 2003. A county that has appointed an administrator for the local child support agency and has complied with the requirements of subdivision (b) may transition prior to January 1, 2001, subject to the approval of the director. In determining the order in which counties will be transferred from the office of the district attorney to the local child support agencies, the director shall do all of the following:

(1) Consider the performance of the counties in establishing and collecting child support.

(2) Minimize the disruption of the services provided by the counties.

(3) Optimize the chances of a successful transition.

(b) In order to achieve an orderly transition with minimal disruption of services, a county shall submit a plan of transition which shall be approved by the department prior to transition.

(c) The director shall consult with the district attorney to achieve an orderly transition and to minimize the disruption of services. Each district attorney shall cooperate in the transition as requested by the director.

(d) To minimize any disruption of services provided under the child support enforcement program during the transition, each district attorney shall:

(1) Continue to be designated the single organizational unit whose duty it shall be to administer the Title IV-D state plan for



securing child and spousal support, medical support, and determining paternity for that county until such time as the county is notified by the director that the county has been transferred pursuant to subdivision (a) or sooner under Section 17602.

(2) At a minimum, maintain all levels of funding, staffing, and services as of January 1, 1999, to administer the Title IV-D state plan for securing child and spousal support, medical support, and determining paternity. If the director determines that a district attorney has lowered the funding, staffing, or services of the child support enforcement program, the director may withhold part or all state and federal funds, including incentive funds, from the district attorney. Before the director withholds part of or all state and federal funds, including incentive funds, the district attorney shall have the opportunity to demonstrate good cause for any reductions in funding, staffing, or services. Good cause exceptions for reductions shall include, but not be limited to, natural staff attrition and caseload changes.

SEC. 10. Section 17306 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17306. (a) The Legislature finds and declares all of the following:

(1) While the State Department of Social Services has had statutory authority over the child support system, the locally elected district attorneys have operated their county programs with a great deal of autonomy.

(2) District attorneys have operated the child support programs with different forms, procedures and priorities, making it difficult to adequately evaluate and modify performance statewide.

(3) Problems collecting child support reflect a fundamental lack of leadership and accountability in the collection program. These management problems have cost California taxpayers and families billions of dollars.

(b) The director shall develop uniform forms, policies and procedures to be employed statewide by all local child support agencies. Pursuant to this subdivision, the director shall:

(1) Adopt uniform procedures and forms.

(2) Establish standard caseworker to case staffing ratios, adjusted as appropriate to meet the varying needs of local programs.

(3) Establish standard attorney to caseworker ratios, adjusted as appropriate to meet the varying needs of local programs.

(4) Institute a consistent statewide policy on the appropriateness of closing cases to ensure that, without relying solely on federal minimum requirements, all cases are fully and pragmatically pursued for collections prior to closing.

(5) Evaluate the best practices for the establishment, enforcement, and collection of child support, for the purpose of determining which practices should be implemented statewide in an effort to improve performance by local child support agencies. In

evaluating the best practices, the director shall review existing practices in better performing counties within California, as well as practices implemented by other state Title IV-D programs nationwide.

(6) Evaluate the best practices for the management of effective child support enforcement operations for the purpose of determining what management structure should be implemented statewide in an effort to improve the establishment, enforcement, and collection of child support by local child support agencies, including an examination of the need for attorneys in management level positions. In evaluating the best practices, the director shall review existing practices in better performing counties within California, as well as practices implemented by other state Title IV-D programs nationwide.

(7) Set priorities for the use of specific enforcement mechanisms for use by both the local child support agency and the Franchise Tax Board. As part of establishing these priorities, the director shall set forth caseload processing priorities to target enforcement efforts and services in a way that will maximize collections and avoid welfare dependency.

(8) Develop uniform training protocols, require periodic training of all child support staff, and conduct training sessions as appropriate.

(9) Review and approve annual budgets submitted by the local child support agencies to ensure each local child support agency operates an effective and efficient program that complies with all federal and state laws, regulations, and directives, including the directive to hire sufficient staff.

(c) The director shall submit any forms intended for use in court proceedings to the Judicial Council for approval at least six months prior to the implementation of the use of the forms.

(d) In adopting the forms, policies, and procedures, the director shall consult with the California Family Support Council, the California State Association of Counties, labor organizations, custodial and noncustodial parent advocates, child support commissioners, family law facilitators, and the appropriate committees of the Legislature.

(e) (1) Notwithstanding the provisions of the Administrative Procedure Act, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, through June 30, 2001, the department may implement the applicable provisions of this division through family support division letters or similar instructions from the director.

(2) The department shall adopt regulations implementing the forms, policies, and procedures established pursuant to this section not later than July 1, 2001. The director may delay implementation of any of these regulations in any county for such time as the director deems necessary for the smooth transition and efficient operation of



a local child support agency, but implementation shall not be delayed beyond the time at which the transition to the new county department of child support services is completed. The department may adopt regulations to implement this division in accordance with the Administrative Procedure Act. The adoption of any emergency regulation filed with the Office of Administrative Law on or before January 1, 2003, shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health, and safety or general welfare. These emergency regulations shall remain in effect for no more than 180 days.

SEC. 11. Section 17310 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17310. (a) The director shall formulate, adopt, amend, or repeal regulations and general policies affecting the purposes, responsibilities, and jurisdiction of the department that are consistent with law and necessary for the administration of the state plan for securing child support and enforcing spousal support orders and determining paternity.

(b) Notwithstanding any other provision of law, all regulations, including, but not limited to, regulations of the State Department of Social Services and the State Department of Health Services, relating to child support enforcement shall remain in effect and shall be fully enforceable by the department. The department may readopt, amend, or repeal the regulations in accordance with Section 17312 as necessary and appropriate.

SEC. 12. Section 17312 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17312. (a) The department shall adopt regulations, orders, or standards of general application to implement, interpret, or make specific the law enforced by the department. Regulations, orders, and standards shall be adopted, amended, or repealed by the director only in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) In adopting regulations, the department shall strive for clarity of language that may be readily understood by those administering public social services or subject to those regulations.

(c) The rules of the department need not specify or include the detail of forms, reports, or records, but shall include the essential authority by which any person, agency, organization, association, or institution subject to the supervision or investigation of the department is required to use, submit, or maintain the forms, reports, or records.

(d) The department's regulations and other materials shall be made available pursuant to the California Code of Regulations and in the same manner as are materials of the State Department of Social Services under the provisions of Section 205.70 of Title 45 of the Code of Federal Regulations.



SEC. 13. Section 17400 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17400. (a) Each county shall maintain a local child support agency, as specified in Section 17304, that shall have the responsibility for promptly and effectively establishing, modifying, and enforcing child support obligations, including medical support, enforcing spousal support orders established by a court of competent jurisdiction, and determining paternity in the case of a child born out of wedlock. The local child support agency shall take appropriate action, including criminal action in cooperation with the district attorneys, to establish, modify, and enforce child support and, when appropriate, enforce spousal support orders when the child is receiving public assistance, including Medi-Cal, and, when requested, shall take the same actions on behalf of a child who is not receiving public assistance, including Medi-Cal.

(b) Actions brought by the local child support agency to establish paternity or child support or to enforce child support obligations shall be completed within the time limits set forth by federal law. The local child support agency's responsibility applies to spousal support only where the spousal support obligation has been reduced to an order of a court of competent jurisdiction. In any action brought for modification or revocation of an order that is being enforced under Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.), the effective date of the modification or revocation shall be as prescribed by federal law (42 U.S.C. Sec. 666(a)(9)), or any subsequent date.

(c) (1) The Judicial Council, in consultation with the department and representatives of the California Family Support Council, the Senate Committee on Judiciary, the Assembly Committee on Judiciary, and a legal services organization providing representation on child support matters, shall develop simplified summons, complaint, and answer forms for any action for support brought pursuant to this section or Section 17404. The Judicial Council may combine the summons and complaint in a single form.

(2) The simplified complaint form shall provide the defendant with notice of the amount of child support that is sought pursuant to the guidelines set forth in Article 2 (commencing with Section 4050) of Chapter 2 of Part 2 of Division 9 based upon the income or income history of the defendant as known to the local child support agency. If the defendant's income or income history is unknown to the local child support agency, the complaint shall inform the defendant that income shall be presumed in an amount that results in a court order equal to the minimum basic standard of adequate care provided in Section 11452 of the Welfare and Institutions Code unless information concerning the defendant's income is provided to the court. The complaint form shall be accompanied by a proposed judgment. The complaint form shall include a notice to the defendant that the

proposed judgment will become effective if he or she fails to file an answer with the court within 30 days of service.

(3) (A) The simplified answer form shall be written in simple English and shall permit a defendant to answer and raise defenses by checking applicable boxes. The answer form shall include instructions for completion of the form and instructions for proper filing of the answer.

(B) The answer form shall be accompanied by a blank income and expense declaration or simplified financial statement and instructions on how to complete the financial forms. The answer form shall direct the defendant to file the completed income and expense declaration or simplified financial statement with the answer, but shall state that the answer will be accepted by a court without the income and expense declaration or simplified financial statement.

(C) The clerk of the court shall accept and file answers, income and expense declarations, and simplified financial statements that are completed by hand provided they are legible.

(4) (A) The simplified complaint form prepared pursuant to this subdivision shall be used by the local child support agency or the Attorney General in all cases brought under this section or Section 17404.

(B) The simplified answer form prepared pursuant to this subdivision shall be served on all defendants with the simplified complaint. Failure to serve the simplified answer form on all defendants shall not invalidate any judgment obtained. However, failure to serve the answer form may be used as evidence in any proceeding under Section 17432 of this code or Section 473 of the Code of Civil Procedure.

(C) The Judicial Council shall add language to the governmental summons, for use by the local child support agency with the governmental complaint to establish parental relationship and child support, informing defendants that a blank answer form should have been received with the summons and additional copies may be obtained from either the local child support agency or the superior court clerk.

(d) In any action brought or enforcement proceedings instituted by the local child support agency pursuant to this section for payment of child or spousal support, an action to recover an arrearage in support payments may be maintained by the local child support agency at any time within the period otherwise specified for the enforcement of a support judgment, notwithstanding the fact that the child has attained the age of majority.

(e) The county shall undertake an outreach program to inform the public that the services described in subdivisions (a) to (c), inclusive, are available to persons not receiving public assistance. There shall be prominently displayed in every public area of every office of the agencies established by this section a notice, in clear and



simple language prescribed by the Director of Child Support Services, that the services provided in subdivisions (a) to (c), inclusive, are provided to all individuals, whether or not they are recipients of public assistance.

(f) (1) In any action to establish a child support order brought by the local child support agency in the performance of duties under this section, the local child support agency may make a motion for an order effective during the pendency of that action, for the support, maintenance, and education of the child or children that are the subject of the action. This order shall be referred to as an order for temporary support. This order shall have the same force and effect as a like or similar order under this code.

(2) The local child support agency shall file a motion for an order for temporary support within the following time limits:

(A) If the defendant is the mother, a presumed father under Section 7611, or any father where the child is at least six months old when the defendant files his answer, the time limit is 90 days after the defendant files an answer.

(B) In any other case where the defendant has filed an answer prior to the birth of the child or not more than six months after the birth of the child, then the time limit is nine months after the birth of the child.

(3) If more than one child is the subject of the action, the limitation on reimbursement shall apply only as to those children whose parental relationship and age would bar recovery were a separate action brought for support of that child or those children.

(4) If the local child support agency fails to file a motion for an order for temporary support within time limits specified in this section, the local child support agency shall be barred from obtaining a judgment of reimbursement for any support provided for that child during the period between the date the time limit expired and the motion was filed, or, if no such motion is filed, when a final judgment is entered.

(5) Except as provided in Section 17304, nothing in this section prohibits the local child support agency from entering into cooperative arrangements with other county departments as necessary to carry out the responsibilities imposed by this section pursuant to plans of cooperation with the departments approved by the Department of Child Support Services.

(6) Nothing in this section shall otherwise limit the ability of the local child support agency from securing and enforcing orders for support of a spouse or former spouse as authorized under any other provision of law.

(g) As used in this article, “enforcing obligations” includes, but is not limited to, (1) the use of all interception and notification systems operated by the department for the purposes of aiding in the enforcement of support obligations, (2) the obtaining by the local



child support agency of an initial order for child support that may include medical support or that is for medical support only, by civil or criminal process, (3) the initiation of a motion or order to show cause to increase an existing child support order, and the response to a motion or order to show cause brought by an obligor parent to decrease an existing child support order, or the initiation of a motion or order to show cause to obtain an order for medical support, and the response to a motion or order to show cause brought by an obligor parent to decrease or terminate an existing medical support order, without regard to whether the child is receiving public assistance, (4) the response to a notice of motion or order to show cause brought by an obligor parent to decrease an existing spousal support order when the child or children are residing with the obligee parent and the local child support agency is also enforcing a related child support obligation owed to the obligee parent by the same obligor, and (5) the transfer of the accounts receivable management of child support delinquencies to the Franchise Tax Board under Section 17501 in support of the local child support agency.

(h) As used in this section, “out of wedlock” means that the biological parents of the child were not married to each other at the time of the child’s conception.

(i) (1) The local child support agency is the public agency responsible for administering wage withholding for current support the purposes of Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.).

(2) Nothing in this section shall limit the authority of the local child support agency granted by other sections of this code or otherwise granted by law, except to the extent that the law is inconsistent with the transfer of the responsibility for accounts receivable management of delinquent child support to the Franchise Tax Board.

(j) In the exercise of the authority granted under this article, the local child support agency may intervene, pursuant to subdivision (b) of Section 387 of the Code of Civil Procedure, by ex parte application, in any action under this code, or other proceeding in which child support is an issue or a reduction in spousal support is sought. By notice of motion, order to show cause, or responsive pleading served upon all parties to the action, the local child support agency may request any relief that is appropriate that the local child support agency is authorized to seek.

(k) The local child support agency shall comply with all regulations and directives established by the department that set time standards for responding to requests for assistance in locating noncustodial parents, establishing paternity, establishing child support awards, and collecting child support payments.



(l) As used in this article, medical support activities that the local child support agency is authorized to perform are limited to the following:

(1) The obtaining and enforcing of court orders for health insurance coverage.

(2) Any other medical support activity mandated by federal law or regulation.

(m) (1) Notwithstanding any other law, venue for an action or proceeding under this division shall be determined as follows:

(A) Venue shall be in the superior court in the county that is currently expending public assistance.

(B) If public assistance is not currently being expended, venue shall be in the superior court in the county where the child who is entitled to current support resides or is domiciled.

(C) If current support is no longer payable through, or enforceable by, the local child support agency, venue shall be in the superior court in the county that last provided public assistance for actions to enforce arrearages assigned pursuant to Section 11477 of the Welfare and Institutions Code.

(D) If subparagraphs (A), (B), and (C) do not apply, venue shall be in the superior court in the county of residence of the support obligee.

(E) If the support obligee does not reside in California, and subparagraphs (A), (B), (C), and (D) do not apply, venue shall be in the superior court of the county of residence of the obligor.

(2) Notwithstanding paragraph (1), if the child becomes a resident of another county after an action under this part has been filed, venue may remain in the county where the action was filed until the action is completed.

(n) The local child support agency of one county may appear on behalf of the local child support agency of any other county in an action or proceeding under this part.

SEC. 14. Section 17404 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17404. (a) Notwithstanding any other statute, in any action brought by the local child support agency for the support of a minor child or children, the action may be prosecuted in the name of the county on behalf of the child, children, or a parent of the child or children. The parent who has requested or is receiving support enforcement services of the local child support agency shall not be a necessary party to the action but may be subpoenaed as a witness. Except as provided in subdivision (e), in an action under this section there shall be no joinder of actions, or coordination of actions, or cross-complaints, and the issues shall be limited strictly to the question of parentage, if applicable, and child support, including an order for medical support. A final determination of parentage may be made in any action under this section as an incident to obtaining

an order for support. An action for support or parentage pursuant to this section shall not be delayed or stayed because of the pendency of any other action between the parties.

(b) Judgment in an action brought pursuant to this section, and in an action brought pursuant to Section 17402, if at issue, may be rendered pursuant to a noticed motion, that shall inform the defendant that in order to exercise his or her right to trial, he or she must appear at the hearing on the motion.

If the defendant appears at the hearing on the motion, the court shall inquire of the defendant if he or she desires to subpoena evidence and witnesses, if parentage is at issue and genetic tests have not already been conducted whether he or she desires genetic tests, and if he or she desires a trial. If the defendant's answer is in the affirmative, a continuance shall be granted to allow the defendant to exercise those rights. A continuance shall not postpone the hearing to more than 90 days from the date of service of the motion. If a continuance is granted, the court may make an order for temporary support without prejudice to the right of the court to make an order for temporary support as otherwise allowed by law.

(c) In any action to enforce a spousal support order the action may be pled in the name of the county in the same manner as an action to establish a child support obligation. The same restrictions on joinder of actions, coordination of actions, cross-complaints, and delay because of the pendency of any other action as relates to actions to establish a child support obligation shall also apply to actions to enforce a spousal support order.

(d) Nothing contained in this section shall be construed to prevent the parties from bringing an independent action under other provisions of this code and litigating the issues of support, custody, visitation, or protective orders. In that event, any support, custody, visitation, or protective order issued by the court in an action pursuant to this section shall be filed in the action commenced under the other provisions of this code and shall continue in effect until modified by a subsequent order of the court. To the extent that the orders conflict, the court order last issued shall supersede all other orders and be binding upon all parties in that action.

(e) (1) After a support order, including a temporary support order and an order for medical support only, has been entered in an action brought pursuant to this section, the parent who has requested or is receiving support enforcement services of the local child support agency shall become a party to the action brought pursuant to this section, only in the manner and to the extent provided by this section, and only for the purposes allowed by this section.

(2) Notice of the parent's status as a party shall be given to the parent by the local child support agency in conjunction with the notice required by subdivision (e) of Section 17406. The complaint shall contain this notice. Service of the complaint on the parent in



compliance with Section 1013 of the Code of Civil Procedure, or as otherwise provided by law, shall constitute compliance with this section. In all actions commenced under the procedures and forms in effect on or before December 31, 1996, the parent who has requested or is receiving support enforcement services of the local child support agency shall not become a party to the action until he or she is joined as a party pursuant to an ex parte application or noticed motion for joinder filed by the local child support agency or a noticed motion filed by either parent. The local child support agency shall serve a copy of any order for joinder of a parent obtained by the local child support agency's application on both parents in compliance with Section 1013 of the Code of Civil Procedure.

(3) The parent who has requested or is receiving support enforcement services of the local child support agency is a party to an action brought under this section for issues relating to the support, custody, and visitation of a child, and for restraining orders, and for no other purpose. The local child support agency shall not be required to serve or receive service of papers, pleadings, or documents, or participate in, or attend any hearing or proceeding relating to issues of custody or visitation, except as otherwise required by law. Orders concerning custody and visitation may be made in an action pursuant to this subdivision only if orders concerning custody and visitation have not been previously made by a court of competent jurisdiction in this state or another state and the court has jurisdiction and is the proper venue for custody and visitation determinations. All issues regarding custody and visitation shall be heard and resolved in the manner provided by this code. Except as otherwise provided by law, the local child support agency shall control support and parentage litigation brought pursuant to this section, and the manner, method, and procedures used in establishing parentage and in establishing and enforcing support obligations unless and until the parent who requested or is receiving support enforcement services has requested in writing that the local child support agency close his or her case and the case has been closed in accordance with state and federal regulation or policy.

(f) (1) A parent who has requested or is receiving support enforcement services of the local child support agency may take independent action to modify a support order made pursuant to this section while support enforcement services are being provided by the local child support agency. The parent shall serve the local child support agency with notice of any action filed to modify the support order and provide the local child support agency with a copy of the modified order within 15 calendar days after the date the order is issued.

(2) A parent who has requested or is receiving support enforcement services of the local child support agency may take independent action to enforce a support order made pursuant to this



section while support enforcement services are being provided by the local child support agency with the written consent of the local child support agency. At least 30 days prior to filing an independent enforcement action, the parent shall provide the local child support agency with written notice of the parent's intent to file an enforcement action that includes a description of the type of enforcement action the parent intends to file. Within 30 days of receiving the notice, the local child support agency shall either provide written consent for the parent to proceed with the independent enforcement action or notify the parent that the local child support agency objects to the parent filing the proposed independent enforcement action. The local child support agency may object only if the local child support agency is currently using an administrative or judicial method to enforce the support obligation or if the proposed independent enforcement action would interfere with an investigation being conducted by the local child support agency. If the local child support agency does not respond to the parent's written notice within 30 days, the local child support agency shall be deemed to have given consent.

(3) The court shall order that all payments of support shall be made to the local child support agency in any action filed under this section by the parent who has requested, or is receiving, support enforcement services of the local child support agency unless support enforcement services have been terminated by the local child support agency by case closure as provided by state and federal law. Any order obtained by a parent prior to support enforcement services being terminated in which the local child support agency did not receive proper notice pursuant to this section shall be voidable upon the motion of the local child support agency.

(g) Any notice from the local child support agency requesting a meeting with the support obligor for any purpose authorized under this section shall contain a statement advising the support obligor of his or her right to have an attorney present at the meeting.

(h) For the purpose of this section, "a parent who is receiving support enforcement services" includes a parent who has assigned his or her rights to support pursuant to Section 11477 of the Welfare and Institutions Code.

(i) The Judicial Council shall develop forms to implement this section.

SEC. 15. Section 17406 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17406. (a) In all actions involving paternity or support, including, but not limited to, other proceedings under this code, and under Division 9 (commencing with Section 10000) of the Welfare and Institutions Code, the local child support agency and the Attorney General represent the public interest in establishing, modifying, and enforcing support obligations. No attorney-client

relationship shall be deemed to have been created between the local child support agency or Attorney General and any person by virtue of the action of the local child support agency or the Attorney General in carrying out these statutory duties.

(b) Subdivision (a) is declaratory of existing law.

(c) In all requests for services of the local child support agency or Attorney General pursuant to Section 17400 relating to actions involving paternity or support, not later than the same day an individual makes a request for these services in person, and not later than five working days after either (1) a case is referred for services from the county welfare department, (2) receipt of a request by mail for an application for services, or (3) an individual makes a request for services by telephone, the local child support agency or Attorney General shall give notice to the individual requesting services or on whose behalf services have been requested that the local child support agency or Attorney General does not represent the individual or the children who are the subject of the case, that no attorney-client relationship exists between the local child support agency or Attorney General and those persons, and that no such representation or relationship shall arise if the local child support agency or Attorney General provides the services requested. Notice shall be in bold print and in plain English and shall be translated into the language understandable by the recipient when reasonable. The notice shall include the advice that the absence of an attorney-client relationship means that communications from the recipient are not privileged and that the local child support agency or Attorney General may provide support enforcement services to the other parent in the future.

(d) The local child support agency or Attorney General shall give the notice required pursuant to subdivision (c) to all recipients of services under Section 17400 who have not otherwise been provided that notice, not later than the date of the next annual notice required under Section 11476.2 of the Welfare and Institutions Code. This notice shall include notification to the recipient of services under Section 17400 that the recipient may inspect the clerk's file at the county clerk's office, and that, upon request, the local child support agency, or, if appropriate, the Attorney General, will furnish a copy of the most recent order entered in the case.

(e) The local child support agency or, if appropriate, the Attorney General shall serve a copy of the complaint for paternity or support, or both, on recipients of support services under Section 17400, as specified in paragraph (2) of subdivision (e) of Section 17404. A notice shall accompany the complaint that informs the recipient that the local child support agency or Attorney General may enter into a stipulated order resolving the complaint, and that the recipient shall assist the prosecuting attorney, by sending all information on the



noncustodial parent's earnings and assets to the prosecuting attorney.

(f) (1) The local child support agency or Attorney General shall provide written notice to recipients of services under Section 17400 of the initial date and time, and purpose of every hearing in a civil action for paternity or support. The notice shall include the following language:

#### IMPORTANT NOTICE

It may be important that you attend the hearing. The local child support agency does not represent you or your children. You may have information about the noncustodial parent, such as information about his or her income or assets, or your need for support that will not be presented to the court unless you attend the hearing. You have the right to be heard in court and tell the court what you think the court should do with the child support order.

If you have a court order for support that arose as part of your divorce, or as part of an action to establish paternity or otherwise, this hearing could change your rights or your children's rights to support. You have the right to attend the hearing and, the right, to be heard.

If you would like to attend the hearing and be told about any changes to the hearing date or time, notify this office by \_\_\_\_\_. The local child support agency or Attorney General will then have to tell you about any changes to the hearing date or time.

(2) The notice shall state the purpose of the hearing or be attached to the motion or other pleading which caused the hearing to be scheduled.

(3) The notice shall be provided separate from all other material and shall be in at least 14-point type. The failure of the local child support agency or Attorney General to comply with this subdivision shall not affect the validity of any order.

(4) The notice shall be provided not later than seven calendar days prior to the hearing, or, if the local child support agency or Attorney General receives notice of the hearing less than seven days prior to the hearing, within two days of the receipt by the local child support agency or Attorney General of the notice of the hearing.

(5) The local child support agency or Attorney General shall, in order to implement this subdivision, make reasonable efforts to





ensure that the local child support agency or Attorney General has current addresses for recipients of support enforcement services.

(g) The local child support agency or Attorney General shall give notice to recipients of services under Section 17400 of every order obtained by the local child support agency or Attorney General that establishes or modifies the support obligation for the recipient or the children who are the subject of the order, by sending a copy of the order to the recipient. The notice shall be made within the time specified by federal law after the order has been filed. The local child support agency or Attorney General shall also give notice to these recipients of every order obtained in any other jurisdiction, that establishes or modifies the support obligation for the recipient or the children who are the subject of the order, and which is received by the local child support agency or Attorney General, by sending a copy of the order to the recipient within the timeframe specified by federal law after the local child support agency or Attorney General has received a copy of the order. In any action enforced under Chapter 6 (commencing with Section 4900) of Part 5 of Division 9, the notice shall be made in compliance with the requirements of that chapter. The failure of the local child support agency or Attorney General to comply with this subdivision shall not affect the validity of any order.

(h) The local child support agency or Attorney General shall give notice to the noncustodial parent against whom a civil action is filed that the local child support agency or Attorney General is not the attorney representing any individual, including, but not limited to, the custodial parent, the child, or the noncustodial parent.

(i) Nothing in this section shall be construed to preclude any person who is receiving services under Section 17400 from filing and prosecuting an independent action to establish, modify, and enforce an order for current support on behalf of himself or herself or a child if that person is not receiving public assistance.

(j) A person who is receiving services under Section 17400 but who is not currently receiving public assistance on his or her own behalf or on behalf of a child shall be asked to execute, or consent to, any stipulation establishing or modifying a support order in any action in which that person is named as a party, before the stipulation is filed. The local child support agency or Attorney General shall not submit to the court for approval a stipulation to establish or modify a support order in the action without first obtaining the signatures of all parties to the action, their attorneys of record, or persons authorized to act on their behalf. Any stipulation approved by the court in violation of this subdivision shall be void.

(k) The local child support agency or Attorney General shall not enter into a stipulation that reduces the amount of past due support, including interest and penalties accrued pursuant to an order of current support, on behalf of a person who is receiving support



enforcement services under Section 17400 and who is owed support arrearages that exceed unreimbursed public assistance paid to the recipient of the support enforcement services, without first obtaining the consent of the person who is receiving services under Section 17400 on his or her own behalf or on behalf of the child.

(l) The notices required in this section shall be provided in the following manner:

(1) In all cases in which the person receiving services under Section 17400 resides in California, notice shall be provided by mailing the item by first-class mail to the last known address of, or personally delivering the item to, that person.

(2) In all actions enforced under Chapter 6 (commencing with Section 4900) of Part 5 of Division 9, unless otherwise specified, notice shall be provided by mailing the item by first-class mail to the initiating court.

(m) Notwithstanding any other provision of this section, the notices provided for pursuant to subdivisions (c) to (g), inclusive, shall not be required in foster care cases.

SEC. 16. Section 17415 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17415. (a) It shall be the duty of the county welfare department to refer all cases where a parent is absent from the home, or where the parents are unmarried and parentage has not been established by the completion and filing of a voluntary declaration of paternity pursuant to Section 7573 or a court of competent jurisdiction, to the local child support agency immediately at the time the application for public assistance, including Medi-Cal benefits, or certificate of eligibility, is signed by the applicant or recipient, except as provided in Section 11477.04 of the Welfare and Institutions Code. If an applicant is found to be ineligible, the applicant shall be notified in writing that the referral of the case to the local child support agency may be terminated at the applicant's request. The county welfare department shall cooperate with the local child support agency and shall make available to him or her all pertinent information as provided in Section 17505.

(b) Upon referral from the county welfare department, the local child support agency shall investigate the question of nonsupport or paternity and shall take all steps necessary to obtain child support for the needy child, enforce spousal support as part of the state plan under Section 17604, and determine paternity in the case of a child born out of wedlock. Upon the advice of the county welfare department that a child is being considered for adoption, the local child support agency shall delay the investigation and other actions with respect to the case until advised that the adoption is no longer under consideration. The granting of public assistance or Medi-Cal benefits to an applicant shall not be delayed or contingent upon investigation by the local child support agency.



(c) In cases where Medi-Cal benefits are the only assistance provided, the local child support agency shall provide child and spousal support services unless the recipient of the services notifies the local child support agency that only services related to securing health insurance benefits are requested.

(d) Where a court order has been obtained, any contractual agreement for support between the local child support agency or the county welfare department and the noncustodial parent shall be deemed null and void to the extent that it is not consistent with the court order.

(e) Whenever a family which has been receiving public assistance, including Medi-Cal, ceases to receive assistance, including Medi-Cal, the local child support agency shall, to the extent required by federal regulations, continue to enforce support payments from the noncustodial parent until such time as the individual on whose behalf the enforcement efforts are made sends written notice to the local child support agency requesting that enforcement services be discontinued.

(f) The local child support agency shall, where appropriate, utilize reciprocal arrangements adopted with other states in securing support from an absent parent. In individual cases where utilization of reciprocal arrangements has proven ineffective, the local child support agency may forward to the Attorney General a request to utilize federal courts in order to obtain or enforce orders for child or spousal support. If reasonable efforts to collect amounts assigned pursuant to Section 11477 of the Welfare and Institutions Code have failed, the local child support agency may request that the case be forwarded to the Treasury Department for collection in accordance with federal regulations. The Attorney General, where appropriate, shall forward these requests to the Secretary of Health and Human Services, or a designated representative.

SEC. 17. Section 17430 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17430. (a) Notwithstanding any other provision of law, in any action filed by the local child support agency pursuant to Section 17400, 17402, or 17404, a judgment shall be entered if the defendant fails to file an answer or otherwise appear in the action within 30 days of service of process upon the defendant.

(b) If the defendant fails to file an answer with the court within 30 days of having been served as specified in subdivision (c) of Section 17400, or at any time before the default judgment is entered, the proposed judgment shall become effective unless the local child support agency has filed a declaration and amended proposed judgment pursuant to subdivision (c).

(c) If the local child support agency receives additional financial information within 30 days of service of the complaint and proposed judgment on the defendant and the additional information would

result in a support order that is different from the amount in the proposed judgment, the local child support agency shall file a declaration setting forth the additional information and an amended proposed judgment. The declaration and amended proposed judgment shall be served on the defendant in compliance with Section 1013 of the Code of Civil Procedure or otherwise as provided by law. The defendant's time to answer or otherwise appear shall be extended to 30 days from the date of service of the declaration and amended proposed judgment.

(d) Upon entry of the judgment, the clerk of the court shall mail by first-class mail, postage prepaid, a notice to the defendant that his or her default has been taken and that the proposed judgment has been entered.

SEC. 18. Section 17500 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17500. (a) In carrying out its obligations under Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.), the local child support agency shall have the responsibility for promptly and effectively collecting and enforcing child support obligations.

(b) The local child support agency is the public agency responsible for administering wage withholding for the purposes of Title IV-D of the Social Security Act (42 U.S.C. Sec. 651 et seq.). To enhance the promptness, efficiency, and effectiveness of wage withholding, the Franchise Tax Board shall issue wage withholding notices for current support, under the circumstances described in Section 17501 and consistent with Section 5246, in the name and on behalf of the local child support agency. Any information obtained by the Franchise Tax Board to administer Section 19271 of the Revenue and Taxation Code or any information sources available to the local child support agency under any federal or state law may be used by the Franchise Tax Board for this purpose.

SEC. 19. Section 17501 is added to the Family Code, to read:

17501. (a) Notwithstanding any other provision of law, on and after January 1, 2000, pursuant to a cooperative agreement entered into between the department and the Franchise Tax Board, the Franchise Tax Board shall have responsibility for accounts receivable management of child support delinquencies in support of the child support activities of the Department of Child Support Services, local child support agencies, and subject to all federal and state laws, regulations, and directives relating to child support programs prescribed by Title IV-D of the federal Social Security Act.

(b) For purposes of this section, “child support delinquency” means an arrearage or otherwise past due amount that accrues when an obligor fails to make any court-ordered support payment when due, which is more than 60 days past due, and the aggregate amount of which exceeds one hundred dollars (\$100).

(c) For purposes of this section, the responsibility of the Franchise Tax Board for “accounts receivable management” shall be in accordance with federal mandates under Title IV-D of the Social Security Act, state mandates, and regulations adopted by the department, and shall include the following:

(1) A management structure that implements policy and procedures consistent with all applicable federal and state mandates and regulations and control systems that result in compliance with these policies and procedures.

(2) Information technology applications, including hardware and software, necessary to:

(A) Route accounts, based on decision rules, through a sequence of actions most likely to result in collection of the account.

(B) Gather asset information from third-party sources including employers, financial institutions, credit bureaus, and parent locator services and take mandated actions or other actions that can be taken by a computer system in the most appropriate sequence for recovering child support delinquency payments.

(3) Personnel systems necessary to hire and train staff as well as to organize and direct their work for effective and efficient recovery of child support delinquency payments.

(4) Customer service systems including telephone, written, and other communication mechanisms giving delinquent obligors methods to contact the Franchise Tax Board to resolve questions and other issues arising solely from the Franchise Tax Board’s actions on their delinquent account.

(5) Actions on any child support delinquency account transferred to the Franchise Tax Board taken by computer or by staff as necessary for recovering delinquent child support payments as follows:

(A) Issuing and modifying earnings assignment orders in the name and on behalf of the local child support agency, pursuant to Section 5246, as necessary in order for the Franchise Tax Board to take collection actions to recover delinquent child support payments. In no event shall any modification to a notice of assignment reduce the current support amount to be withheld below the amount ordered by the court.

(B) Working with obligors and negotiating a payment schedule to the extent allowed by state and federal law and in accordance with regulations established by the department.

(C) Consulting information sources and third parties to locate obligors and their assets.

(D) Coordinating with the counties and the department for withholding issuance, renewal, or suspension of licenses or passports as the process relates to delinquent child support obligors.

(E) Filing bankruptcy or estate claims, and filing liens in civil actions.

(F) Issuing levies.

(G) Issuing warrants to direct a levying officer to seize and sell property of the obligor or other actions that may be taken by a levying officer.

(H) Monitoring paying accounts and keeping local child support agencies informed as to any payments received by the Franchise Tax Board and status thereof.

(I) Coordinating with the counties to refer obligors to the county when a court action may be an appropriate course of action as so deemed by the county.

(J) Taking any other mandated actions directed by the department necessary for the effective and efficient recovery of delinquent child support payments.

(d) (1) The local child support agency shall transfer child support delinquencies to the Franchise Tax Board in the form and manner and at the time prescribed by the Franchise Tax Board pursuant to paragraph (2) of subdivision (a) of Section 19271 of the Revenue and Taxation Code.

(2) The department shall adopt regulations to establish a process pursuant to which a local child support agency may request and shall be allowed to rescind or otherwise recall the transfer of an account from the Franchise Tax Board under limited circumstances specified by the department.

(e) If a child support delinquency exists at the time a case is opened by the local child support agency, the responsibility for the enforcement and collection of the delinquency shall be transferred to the Franchise Tax Board no later than 30 days after receipt of the case by the local child support agency. Any reference to the local child support agency in connection with accounts receivable management of child support delinquencies shall be deemed a reference to the Franchise Tax Board.

(f) After a local child support agency transfers a delinquent child support obligation to the Franchise Tax Board pursuant to this section, the local child support agency shall continue to facilitate resolution of the child support obligation in coordination with the Franchise Tax Board. This transfer of responsibility for accounts receivable management is in support of the local child support agency solely for the administration of the enforcement and collection of child support delinquencies and shall not in any manner transfer any responsibilities the local child support agency may have and any responsibilities the Department of Child Support Services may have as the Title IV-D agency. A child support delinquency, as specified in this section, shall be enforced and collected by the Franchise Tax Board in accordance with subdivision (c) and pursuant to Section 19271 of the Revenue and Taxation Code. The local child support agency shall be responsible for case management as described in subdivision (g).

(g) After a local child support agency transfers a case to the Franchise Tax Board for accounts receivable management, the local child support agency shall be responsible for providing case management services, which, only for purposes of cases transferred to the Franchise Tax Board includes, but is not limited to:

(1) Responding to communications from both custodial parents and noncustodial parents about case status, payment status, and other questions, and facilitating communication between the custodial or noncustodial parent and the Franchise Tax Board, as appropriate.

(2) Establishing, maintaining, and updating as appropriate case information relating to case status, account information, payment history, and other relevant case specific information.

(3) Responding to requests from custodial and noncustodial parents for modification of a support obligation pursuant to state and federal regulations, notifying the Franchise Tax Board of actions taken to modify a support obligation and, where appropriate, requesting the case be transferred back to the local child support agency from the Franchise Tax Board in accordance with subdivision (d).

(4) Pursuing appropriate enforcement mechanisms, within the timeframes and regulations prescribed by the department, which may include:

(A) Submittal of the delinquent case to the Internal Revenue Service Tax Refund Intercept Program.

(B) Submittal of the delinquent case to the Franchise Tax Board for the tax refund intercept program.

(C) Submittal of the delinquent case to the State License Match Program for suspension or revocation of licenses.

(D) Filing liens against a civil settlement in cases in which the noncustodial parent is a party.

(E) Referral of the delinquent case to the district attorney for criminal prosecution.

(F) Filing orders to show cause for civil contempt.

(G) Filing motions for an order of examination.

(H) Referral of delinquent cases to the United States Attorney for criminal prosecution in interstate matters.

(5) Any other activities prescribed by the department.

SEC. 20. Section 17600 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17600. (a) The Legislature finds and declares all of the following:

(1) The Legislative Analyst has found that county child support enforcement programs provide a net increase in revenues to the state.

(2) The state has a fiscal interest in ensuring that county child support enforcement programs perform efficiently.



(3) The state does not provide information to counties on child support enforcement programs, based on common denominators that would facilitate comparison of program performance.

(4) Providing this information would allow county officials to monitor program performance and to make appropriate modifications to improve program efficiency.

(5) This information is required for effective management of the child support program.

(b) (1) Except as provided in paragraph (2), commencing with the 1998-99 fiscal year, and for each fiscal year thereafter, each county that is participating in the state incentive program described in Section 17704 shall provide to the department, and the department shall compile from this county child support information, quarterly and annually, all of the following performance-based data, as established by the federal incentive funding system, provided that the department may revise the data required by this paragraph in order to conform to the final federal incentive system data definitions:

(A) One of the following data relating to paternity establishment, as required by the department, provided that the department shall require all counties to report on the same measurement:

(i) The total number of children in the caseload governed by Subtitle D (commencing with Section 450) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 650 et seq.), as of the end of the federal fiscal year, who were born to unmarried parents for whom paternity was established or acknowledged, and the total number of children in that caseload, as of the end of the preceding federal fiscal year, who were born to unmarried parents.

(ii) The total number of minor children who were born in the state to unmarried parents for whom paternity was established or acknowledged during a federal fiscal year, and the total number of children in the state born to unmarried parents during the preceding federal fiscal year.

(B) The number of cases governed by Subtitle D (commencing with Section 450) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 650 et seq.) during the federal fiscal year and the total number of those cases with support orders.

(C) The total dollars collected during the federal fiscal year for current support in cases governed by Subtitle D (commencing with Section 450) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 650 et seq.) and the total number of dollars owing for current support during that federal fiscal year in cases governed by those provisions.

(D) The total number of cases for the federal fiscal year governed by Subtitle D (commencing with Section 450) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 650 et seq.) in which payment was being made toward child support arrearages and the

total number of cases for that fiscal year governed by these federal provisions that had child support arrearages.

(E) The total number of dollars collected and expended during a federal fiscal year in cases governed by Subtitle D (commencing with Section 450) of Title IV of the federal Social Security Act (42 U.S.C. Sec. 650 et seq.).

(F) The total amount of child support dollars collected during a federal fiscal year, and, if and when required by federal law, the amount of these collections broken down by collections distributed on behalf of current recipients of federal Temporary Assistance for Needy Families block grant funds or federal foster care funds, on behalf of former recipients of federal Temporary Assistance for Needy Families block grant funds or federal foster care funds, or on behalf of persons who have never been recipients of these federal funds.

(2) A county may apply for an exemption from any or all of the reporting requirements of paragraph (1) for the 1998–99 state fiscal year or any quarter of that fiscal year, as well as for the first quarter of the 1999–2000 fiscal year, by submitting an application for the exemption to the department at least three months prior to the commencement of the fiscal year or quarter for which the exemption is sought. A county shall provide a separate justification for each data element under paragraph (1) for which the county is seeking an exemption and the cost to the county of providing the data. The department may not grant an exemption for more than one year. The department may grant a single exemption only if both of the following conditions are met:

(A) The county cannot compile the data being sought through its existing automated system or systems.

(B) The county cannot compile the data being sought through manual means or through an enhanced automated system or systems without significantly harming the child support collection efforts of the county.

(c) Except as provided in paragraph (6), before implementation of the statewide automated system, in addition to the information required by subdivision (b), the department shall collect, on a monthly basis, from each county that is participating in the state incentive program described in Section 17704, information on the local child support agency beginning with the 1998–99 fiscal year, and for each subsequent fiscal year, and shall report quarterly and annually on all of the following measurements:

(1) For each of the following support collection categories, the number of cases with support collected shall include only the number of cases actually receiving a collection, not the number of payments received. For purposes of determining the number of cases with an order of current support and the number of cases in which current



support is being collected, cases with a medical support order that do not have an order for current support shall not be counted.

- (A) The number of cases with an order for current support.
- (B) The number of cases with collections of current support.
- (C) The number of cases with an order for arrears.
- (D) The number of cases with arrears collections.

(2) The number of alleged fathers or obligors who were served with a summons and complaint to establish paternity or a support order. In order to be counted under this paragraph, the alleged father or obligor shall be successfully served with process. An alleged father shall be counted under this paragraph only once if he is served with process simultaneously for both a paternity and a support order proceeding for the same child or children. For purposes of this paragraph, a support order shall include a medical support order.

(3) The number of children requiring paternity establishment and the number of children for whom paternity has been established during the period. Paternity may only be established once for each child. Any child for whom paternity is not at issue shall not be counted in the number of children for whom paternity has been established. For this purpose, paternity is not at issue if the parents were married and neither parent challenges paternity or a voluntary paternity declaration has been executed by the parents prior to the local child support agency obtaining the case and neither parent challenges paternity.

(4) The number of cases requiring that a support order be established and the number of cases that had a support order established during the period. A support order shall be counted as established only when the appropriate court has issued an order for child support, including an order for temporary child support, or an order for medical support.

(5) The total cost of administering the local child support agency, including the federal, state, and county share of the costs, and the federal and state incentives received by each county. The total cost of administering the program shall be broken down by the following:

(A) The direct costs of the program, broken down further by total employee salaries and benefits, a list of the number of employees broken down into at least the following categories: attorneys, administrators, caseworkers, investigators, and clerical support; contractor costs; space charges; and payments to other county agencies. Employee salaries and numbers need only be reported in the annual report.

(B) The indirect costs, showing all overhead charges.

(6) A county may apply for an exemption from any or all of the reporting requirements of this subdivision for a fiscal year by submitting an application for the exemption to the department at least three months prior to the commencement of the fiscal year or quarter for which the exemption is sought. A county shall provide a

separate justification for each data element under this subdivision for which the county is seeking an exemption and the cost to the county of providing the data. The department may not grant an exemption for more than one year. The department may grant a single exemption only if both of the following conditions are met:

(A) The county cannot compile the data being sought through its existing automated system or systems.

(B) The county cannot compile the data being sought through manual means or through an enhanced automated system or systems without significantly harming the child support collection efforts of the county.

(d) After implementation of the statewide automated system, in addition to the information required by subdivision (b), the Department of Child Support Services shall collect, on a monthly basis, from each county that is participating in the state incentive program described in Section 17704, information on the county child support enforcement program beginning with the 1998–99 fiscal year or a later fiscal year, as appropriate, and for each subsequent fiscal year, and shall report quarterly and annually on all of the following measurements:

(1) For each of the following support collection categories, the number of cases with support collected shall include only the number of cases actually receiving a collection, not the number of payments received.

(A) (i) The number of cases with collections for current support.

(ii) The number of cases with arrears collections only.

(iii) The number of cases with both current support and arrears collections.

(B) For cases with current support only due.

(i) The number of cases in which the full amount of current support owed was collected.

(ii) The number of cases in which some amount of current support, but less than the full amount of support owed, was collected.

(iii) The number of cases in which no amount of support owed was collected.

(C) For cases in which arrears only were owed:

(i) The number of cases in which all arrears owed were collected.

(ii) The number of cases in which some amount of arrears, but less than the full amount of arrears owed, were collected.

(iii) The number of cases in which no amount of arrears owed were collected.

(D) For cases in which both current support and arrears are owed:

(i) The number of cases in which the full amount of current support and arrears owed were collected.

(ii) The number of cases in which some amount of current support and arrears, but less than the full amount of support owed, were collected.

(iii) The number of cases in which no amount of support owed was collected.

(E) The total number of cases in which an amount was due for current support only.

(F) The total number of cases in which an amount was due for both current support and arrears.

(G) The total number of cases in which an amount was due for arrears only.

(H) For cases with current support due, the number of cases without orders for medical support and the number of cases with an order for medical support.

(2) The number of alleged fathers or obligors who were served with a summons and complaint to establish paternity or a support order, and the number of alleged fathers or obligors for whom it is required that paternity or a support order be established. In order to be counted under this paragraph, the alleged father or obligor shall be successfully served with process. An alleged father shall be counted under this paragraph only once if he is served with process simultaneously for both a paternity and a support order proceeding for the same child or children. For purposes of this paragraph, a support order shall include a medical support order.

(3) The number of new asset seizures or successful initial collections on a wage assignment for purposes of child support collection. For purposes of this paragraph, a collection made on a wage assignment shall be counted only once for each wage assignment issued.

(4) The number of children requiring paternity establishment and the number of children for whom paternity has been established during the period. Paternity may only be established once for each child. Any child for whom paternity is not at issue shall not be counted in the number of children for whom paternity has been established. For this purpose, paternity is not at issue if the parents were married and neither parent challenges paternity or a voluntary paternity declaration has been executed by the parents prior to the local child support agency obtaining the case and neither parent challenges paternity.

(5) The number of cases requiring that a support order be established and the number of cases that had a support order established during the period. A support order shall be counted as established only when the appropriate court has issued an order for child support, including an order for temporary child support, or an order for medical support.

(6) The total cost of administering the local child support agency, including the federal, state, and county share of the costs and the federal and state incentives received by each county. The total cost of administering the program shall be broken down by the following:

(A) The direct costs of the program, broken down further by total employee salaries and benefits, a list of the number of employees broken down into at least the following categories: attorneys, administrators, caseworkers, investigators, and clerical support; contractor costs; space charges; and payments to other county agencies. Employee salaries and numbers need only be reported in the annual report.

(B) The indirect costs, showing all overhead charges.

(7) The total child support collections due, broken down by current support, interest on arrears, and principal, and the total child support collections that have been collected, broken down by current support, interest on arrears, and principal.

(8) The actual case status for all cases in the county child support enforcement program. Each case shall be reported in one case status only. If a case falls within more than one status category, it shall be counted in the first status category of the list set forth below in which it qualifies. The following shall be the case status choices:

(A) No support order, location of obligor parent required.

(B) No support order, alleged obligor parent located and paternity required.

(C) No support order, location and paternity not at issue but support order must be established.

(D) Support order established with current support obligation and obligor is in compliance with support obligation.

(E) Support order established with current support obligation, obligor is in arrears and location of obligor is necessary.

(F) Support order established with current support obligation, obligor is in arrears, and location of obligor's assets is necessary.

(G) Support order established with current support obligation, obligor is in arrears and no location of obligor or obligor's assets is necessary.

(H) Support order established with current support obligation, obligor is in arrears, the obligor is located, but the local child support agency has established satisfactorily that the obligor has no income or assets and no ability to earn.

(I) Support order established with current support obligation and arrears, obligor is paying the current support and is paying some or all of the interest on the arrears, but is paying no principal.

(J) Support order established for arrears only and obligor is current in repayment obligation.

(K) Support order established for arrears only, obligor is not current in arrears repayment schedule and location of obligor is required.

(L) Support order established for arrears only, obligor is not current in arrears repayment schedule and location of obligor's assets is required.

(M) Support order established for arrears only, obligor is not current in arrears repayment schedule, and no location of obligor or obligor's assets is required.

(N) Support order established for arrears only, obligor is not current in arrears repayment, and the obligor is located, but the local child support agency has established satisfactorily that the obligor has no income or assets and no ability to earn.

(O) Support order established for arrears only and obligor is repaying some or all of the interest, but no principal.

(P) Other, if necessary, to be defined in the regulations promulgated under subdivision (e).

(e) Upon implementation of the statewide automated system, or at the time that the department determines that compliance with this subdivision is possible, whichever is earlier, each county that is participating in the state incentive program described in Section 17704 shall collect and report, and the department shall compile for each participating county, information on the county child support program in each fiscal year, all of the following data, in a manner that facilitates comparison of counties and the entire state, except that the department may eliminate or modify the requirement to report any data mandated to be reported pursuant to this subdivision if the department determines that the local child support agencies are unable to accurately collect and report the information or that collecting and reporting of the data by the local child support agencies will be onerous:

(1) The number of alleged obligors or fathers who receive CalWORKs benefits, food stamp benefits, and Medi-Cal benefits.

(2) The number of obligors or alleged fathers who are in state prison or county jail.

(3) The number of obligors or alleged fathers who do not have a social security number.

(4) The number of obligors or alleged fathers whose address is unknown.

(5) The number of obligors or alleged fathers whose complete name, consisting of at least a first and last name, is not known by the local child support agency.

(6) The number of obligors or alleged fathers who filed a tax return with the Franchise Tax Board in the last year for which a data match is available.

(7) The number of obligors or alleged fathers who have no income reported to the Employment Development Department during the third quarter of the fiscal year.

(8) The number of obligors or alleged fathers who have income between one dollar (\$1) and five hundred dollars (\$500) reported to the Employment Development Department during the third quarter of the fiscal year.





(9) The number of obligors or alleged fathers who have income between five hundred one dollars (\$501) and one thousand five hundred dollars (\$1,500) reported to the Employment Development Department during the third quarter of the fiscal year.

(10) The number of obligors or alleged fathers who have income between one thousand five hundred one dollars (\$1,501) and two thousand five hundred dollars (\$2,500) reported to the Employment Development Department during the third quarter of the fiscal year.

(11) The number of obligors or alleged fathers who have income between two thousand five hundred one dollars (\$2,501) and three thousand five hundred dollars (\$3,500) reported to the Employment Development Department during the third quarter of the fiscal year.

(12) The number of obligors or alleged fathers who have income between three thousand five hundred one dollars (\$3,501) and four thousand five hundred dollars (\$4,500) reported to the Employment Development Department during the third quarter of the fiscal year.

(13) The number of obligors or alleged fathers who have income between four thousand five hundred one dollars (\$4,501) and five thousand five hundred dollars (\$5,500) reported to the Employment Development Department during the third quarter of the fiscal year.

(14) The number of obligors or alleged fathers who have income between five thousand five hundred one dollars (\$5,501) and six thousand five hundred dollars (\$6,500) reported to the Employment Development Department during the third quarter of the fiscal year.

(15) The number of obligors or alleged fathers who have income between six thousand five hundred one dollars (\$6,501) and seven thousand five hundred dollars (\$7,500) reported to the Employment Development Department during the third quarter of the fiscal year.

(16) The number of obligors or alleged fathers who have income between seven thousand five hundred one dollars (\$7,501) and nine thousand dollars (\$9,000) reported to the Employment Development Department during the third quarter of the fiscal year.

(17) The number of obligors or alleged fathers who have income exceeding nine thousand dollars (\$9,000) reported to the Employment Development Department during the third quarter of the fiscal year.

(18) The number of obligors or alleged fathers who have two or more employers reporting earned income to the Employment Development Department during the third quarter of the fiscal year.

(19) The number of obligors or alleged fathers who receive unemployment benefits during the third quarter of the fiscal year.

(20) The number of obligors or alleged fathers who receive state disability benefits during the third quarter of the fiscal year.

(21) The number of obligors or alleged fathers who receive workers' compensation benefits during the third quarter of the fiscal year.

(22) The number of obligors or alleged fathers who receive Social Security Disability Insurance benefits during the third quarter of the fiscal year.

(23) The number of obligors or alleged fathers who receive Supplemental Security Income/State Supplementary Program for the Aged, Blind and Disabled benefits during the third quarter of the fiscal year.

(f) The department, in consultation with the Legislative Analyst's office, the Judicial Council, the California Family Support Council, and child support advocates, shall develop regulations to ensure that all local child support agencies report the data required by this section uniformly and consistently throughout California.

(g) The department shall provide the information for all participating counties for the 2000–01 fiscal year to each member of a county board of supervisors, county executive officer, local child support agency, and the appropriate policy committees and fiscal committees of the Legislature by December 31, 2001. The department shall provide the information for each subsequent fiscal quarter and fiscal year no later than three months following the end of the fiscal quarter and no later than nine months following the end of the fiscal year. The department shall present the information in a manner that facilitates comparison of county performance.

(h) For purposes of this section, "case" means a noncustodial parent, whether mother, father, or putative father, who is, or eventually may be, obligated under law for support of a child or children. For purposes of this definition, a noncustodial parent shall be counted once for each family that has a dependent child he or she may be obligated to support.

(i) This section shall be operative only for as long as Section 17704 requires participating counties to report data to the department.

SEC. 21. Section 17602 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17602. (a) Not later than January 1, 2001, the department shall adopt performance standards, in consultation with local child support agencies, that each local child support agency is required to comply with on a quarterly basis. The performance standards shall include, at a minimum, measurements for each of the following:

- (1) Percent of cases with a court order for current support.
- (2) Percent of cases with collections of current support.
- (3) Average amount collected per case for all cases with collections.
- (4) Percent of cases with an order for arrears.
- (5) Percent of cases with arrears collections.
- (6) Percent of alleged fathers or obligors who were served with a summons and complaint to establish paternity or a support order during the period.

(7) Percent of children for whom paternity has been established during the period.

(8) Percent of cases that had a support order established during the period.

(9) Total child support dollars collected per \$1.00 of total expenditure.

(10) Any other measurements that the director determines to be an appropriate determination of a local child support agency's performance.

(b) In determining the performance measures in subdivision (a), the department shall consider the total amount of uncollected child support arrearages that are realistically collectible. The director shall analyze, in consultation with local child support agencies and child support advocates, the current amount of uncollected child support arrearages statewide and in each county to determine the amount of child support that may realistically be collected. The director shall consider, in conducting the analysis, factors that may influence collections, including demographic factors such as welfare caseload, levels of poverty and unemployment, rates of incarceration of obligors, and age of delinquencies. The director shall use this analysis to establish program priorities as provided in paragraph (7) of subdivision (b) of Section 17306.

(c) The department shall use the performance-based data, and the criteria for that data, as set forth in Section 17600 to determine a local child support agency's performance measures for the quarter.

(d) The director shall adopt a three phase process to be used statewide when a local child support agency is out of compliance with the performance standards adopted pursuant to subdivision (a), or the director determines that the local child support agency is failing in a substantial manner to comply with any provision of the state plan, the provisions of this code, the requirements of federal law, the regulations of the department, or the cooperative agreement. The director shall adopt policies as to the implementation of each phase, including requirements for measurement of progress and improvement which shall be met as part of the performance improvement plan specified in paragraphs (1) and (2), in order to avoid implementation of the next phase of compliance. The director shall not implement any of these phases until July 1, 2001, or until six months after a local child support agency has completed its transition from the office of the district attorney to the new county department of child support services, whichever is later. The phases shall include the following:

(1) Phase I: Development of a performance improvement plan that is prepared jointly by the local child support agency and the department, subject to the department's final approval. The plan shall provide performance expectations and goals for achieving compliance with the state plan and other state and federal laws and

regulations that must be reviewed and assessed within specific timeframes in order to avoid execution of Phase II.

(2) Phase II: Onsite investigation, evaluation and oversight of the local child support agency by the department. The director shall appoint program monitoring teams to make site visits, conduct educational and training sessions, and help the local child support agency identify and attack problem areas. The program monitoring teams shall evaluate all aspects of the functions and performance of the local child support agency, including compliance with state and federal laws and regulations. Based on these investigations and evaluations, the program monitoring team shall develop a final performance improvement plan and shall oversee implementation of all recommendations made in the plan. The local child support agency shall adhere to all recommendations made by the program monitoring team. The plan shall provide performance expectations and compliance goals that must be reviewed and assessed within specific timeframes in order to avoid execution of Phase III.

(3) Phase III: The director shall assume, either directly or through agreement with another entity, responsibility for the management of the child and spousal support enforcement program in the county until such time as the local child support agency provides reasonable assurances to the director of its intention and ability to comply. During the period of state management responsibility, the director or his or her authorized representative shall have all of the powers and responsibilities of the local child support agency concerning the administration of the program. The local child support agency shall be responsible for providing any funds as may be necessary for the continued operation of the program. If the local child support agency fails or refuses to provide these funds, including a sufficient amount to reimburse any and all costs incurred by the department in managing the program, the Controller may deduct an amount certified by the director as necessary for the continued operation of the program by the department from any state or federal funds payable to the county for any purpose.

(e) The director shall report in writing to the Legislature semiannually, beginning July 1, 2001, on the status of the state child support enforcement program. The director shall submit quarterly reports to the Legislature, Governor and public on progress of all local child support agencies in each performance measure, including identification of the local child support agencies that are out of compliance, the performance measures that they have failed to satisfy, and the performance improvement plan that is being taken for each.

SEC. 21.5. Section 17604 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session of the Legislature, is amended to read:



17604. (a) (1) If at any time the director considers any public agency, that is required by law, by delegation of the department, or by cooperative agreement to perform functions relating to the state plan for securing child and spousal support and determining paternity, to be failing in a substantial manner to comply with any provision of the state plan, the director shall put that agency on written notice to that effect.

(2) The state plan concerning spousal support shall apply only to spousal support included in a child support order.

(3) In this chapter the term spousal support shall include support for a former spouse.

(b) After receiving notice, the public agency shall have 45 days to make a showing to the director of full compliance or set forth a compliance plan that the director finds to be satisfactory.

(c) If the director determines that there is a failure on the part of that public agency to comply with the provisions of the state plan, or to set forth a compliance plan that the director finds to be satisfactory, or if the State Personnel Board certifies to the director that that public agency is not in conformity with applicable merit system standards under Part 2.5 (commencing with Section 19800) of Division 5 of Title 2 of the Government Code, and that sanctions are necessary to secure compliance, the director shall withhold part or all of state and federal funds, including incentive funds, from that public agency until the public agency shall make a showing to the director of full compliance.

(d) After sanctions have been invoked pursuant to subdivision (c), if the director determines that there remains a failure on the part of the public agency to comply with the provisions of the state plan, the director may remove that public agency from performing any part or all of the functions relating to the state plan.

(e) In the event of a federal determination to reduce or modify federal funding for the Title IV-A program as a result of improper or inadequate county administration of the child and spousal support enforcement program, the department shall pass on to the counties any federal sanction levied on or after January 1, 1991, regardless of the date of the underlying federal audit, except for any sanctions resulting from the 1986 audit or federal followup. For the purposes of this section, the date of levy is the date the federal government actually reduces, withholds, or otherwise modifies the state's funding.

(f) The sanction shall be assessed as follows:

(1) The state shall assume responsibility for 50 percent of the total federal sanction.

(2) Each county shall be assessed an amount equal to the amount of increased county costs which would occur based on application of Sections 15200 and 15204.2 of the Welfare and Institutions Code.

(3) For each county found to be out of compliance based on the reviews conducted pursuant to Section 17702, the county shall be

assessed an amount equal to one-half the rate of the federal sanction multiplied by the county's total federal Title IV-A program funding.

(4) For each county found to be marginally in compliance based on the reviews conducted pursuant to Section 17702, the county shall be assessed an amount equal to one-quarter the rate of the federal sanction multiplied by the county's total federal Title IV-A program funding.

(5) In the event the amount of the federal sanction is less than the amount required to apply paragraphs (1), (2), (3), and (4), county liability under paragraph (4) shall be reduced accordingly. In the event county liability under paragraph (4) is eliminated and the amount of the federal sanction is less than the amount required to apply paragraphs (1), (2), and (3), county liability under paragraph (3) shall be reduced accordingly.

(6) The review pursuant to Section 17702 which was conducted closest to the date the federal sanction was levied shall be used to determine which counties are out of compliance and marginally in compliance.

(g) There shall be established a sanction credit which shall consist of any net increase in state revenue resulting from any increase of more than 9 <sup>3</sup>/<sub>4</sub> percent in distributed collections on behalf of families receiving CalWORKs for each of the previous three state fiscal years.

(1) The balance of the sanction after application of subdivision (f) shall be reduced by the amount of the sanction credit.

(2) In the event the sanction credit exceeds the balance of the sanction after application of paragraph (1), the amount exceeding the balance shall be used to reduce the liability of marginally compliant counties under paragraph (4) of subdivision (f). Any further balance shall be used to reduce the liability of out-of-compliance counties under paragraph (3) of subdivision (g).

(3) In the event the sanction credit does not fully offset the balance of the sanction after application of paragraph (1), the state shall be responsible for 50 percent of the unmet balance, and the remaining 50 percent shall be distributed to all counties in proportion to their total Title IV-A program funding.

(h) The sanction assessed a county pursuant to this section shall be levied as a general assessment against the county. Notwithstanding Section 17714, a county may use any funds paid to that county pursuant to Sections 17700 and 17710, over and above the county's cost of administering the child support program to supplant any county funds reduced under this section.

(i) In the event of any other audit or review that results in the reduction or modification of federal funding for the program under Part D (commencing with Section 652) of Subchapter IV of Title 42 of the United States Code, the sanction shall be assessed against those counties specifically cited in the federal findings in the amount cited in those findings.



(j) The department shall establish a process whereby any county assessed a portion of any sanction may appeal the department's decision.

(l) Nothing in this section shall be construed as relieving the board of supervisors of the responsibility to provide funds necessary for the continued operation of the state plan as required by law.

SEC. 22. Section 17700 is added to Article 4 (commencing with Section 17702) of Chapter 2 of the Family Code to read:

17700. (a) It is the intent of the Legislature for the department to allocate to counties funds as specified in this section to assist counties to increase child support collections through the child support enforcement program.

(b) The funds may be used for the following purposes and in any manner that will enhance child support collections.

(1) To purchase equipment and fund staff to further a county's effort to automate its offices as long as the automation is in accordance with the Statewide Automated Child Support System being implemented statewide.

(2) To fund staff who will further the county's collection efforts.

(3) To match federal funds to increase court time given to child support, including, but not limited to, funding additional family law commissioner or referee positions which are authorized by law, renting or leasing additional space, funding additional support staff and litigant services, and obtaining additional equipment. More than one county may jointly fund a family support commissioner or referee position to serve the participating counties. For the 1996-97 and 1997-98 fiscal years, funds shall be made available to the extent appropriated by the Budget Act to the Judicial Council to implement Section 4251 of, and Division 14 (commencing with Section 10000). The Judicial Council shall allocate the funds to counties for the purpose of matching federal funds for the costs of commissioners, family law facilitators, and related costs. The Judicial Council may also use the funds to offset the nonfederal share of costs incurred for performing the duties specified in Section 4252. The funds may only be used to match federal funds to increase court time if the county does not decrease its current allocation of court time to child support cases or decrease the time more than in other areas under its plan for trial court funding. The funds allocated pursuant to this section and the federal matching funds for increased court time for child support cases shall be considered outside the requirements of trial court funding. Funds allocated to the Judicial Council shall not be subject to the requirements of subdivision (c).

(c) Counties may choose one of the following methods for obtaining these funds to increase child support collections:

(1) Matching funds method:

(A) It is the intent of the Legislature to appropriate the sum of ten million dollars (\$10,000,000), or any higher amount specified in the



annual Budget Act, from the General Fund to the State Department of Social Services. Within 60 days of the enactment of the annual Budget Act, any county choosing to apply for funds under this method shall submit to the department a plan specifying the amount of county match funds the county will provide, the amount of General Fund moneys the county is requesting, and the intended uses of the funds consistent with subdivision (b).

(B) The department shall allocate the funds to counties based on the amount each county has reported it is to match. In order to receive these funds, a county shall match every dollar of the General Fund money provided to the county with fifty cents (\$0.50) of county funds, which shall be used for the child support program. In the event that the department receives applications that exceed the total funds available, the department shall allocate the available funds among the applications based on collections-to-cost ratios.

(C) Funds expended to comply with Section 17714 shall qualify for this match.

(2) Loan method:

(A) The Director of Finance is authorized to transfer up to ten million dollars (\$10,000,000), or any higher amount as may be specified in the annual Budget Act, from Item 5180-101-0001 to Item 5180-141-0001 of the annual Budget Act for allocation by the State Department of Social Services to county child support enforcement programs. There shall be no requirement for counties to match these funds, but the department shall take any steps necessary to ensure that the maximum amount of federal funds are available to match these funds.

(B) The department shall allocate these funds to counties based upon an approved application. In the event that the department receives applications that exceed the total funds available, the department shall allocate the available funds among the approved applications based on collections-to-cost ratios. In order to be approved, the application shall be signed by the chief administrative officer of the local child support agency and shall, at a minimum, specify:

(i) The county's estimate of the state share of baseline California Work Opportunity and Responsibility to Kids (CalWORKs) collections in the county for the state fiscal year in which the requested allocation will be spent. For purposes of this section, "baseline CalWORKs collections" means the collections that would be made by the county in the absence of this section. The department shall review the county's baseline CalWORKs and non-CalWORKs collections estimate and shall approve the estimate if it is reasonably consistent with recent trends and developments in the county.

(ii) The specific program activities for which the county proposes to use the funds. The county shall certify that these activities are in



addition to the activities, or the level of activity, funded in the previous year.

(iii) The amount requested.

(iv) The county's estimate of the state share of increased CalWORKs and non-CalWORKs collections, minus any incentive paid to the county pursuant to Section 15200.8 of the Welfare and Institutions Code, anticipated to result from the activities identified in clause (ii). The department shall review this estimate and advise the county as to its reasonableness. For purposes of this section, "increased CalWORKs collections" means revenues above the county's approved estimate of baseline CalWORKs collections.

(v) A statement by the local child support agency that he or she understands that the incentives that would otherwise be paid to the county in the second subsequent fiscal year will be reduced to recover any state costs that are not fully offset by increased revenues.

(C) The department shall approve applications with approved baseline CalWORKs collections and in which the collections-to-cost ratio derived by dividing the amounts estimated under clause (iv) of subparagraph (B) by the amount requested under clause (iii) of subparagraph (B) is equal to, or greater than, two times the statewide average comparable collections-to-cost ratio for the previous five years.

(D) At the end of the first quarter of the state fiscal year, following the second state fiscal year in which any county received an allocation pursuant to this section, the department shall estimate the total state share of CalWORKs collections by each county, minus each incentive paid to the county pursuant to Section 15200.8 of the Welfare and Institutions Code.

(E) For each of the four quarters following the first quarter of the second state fiscal year following the year in which a county receives an allocation pursuant to this section, the department shall reduce the incentive payment by one-fourth of the amount which the allocation to the county pursuant to this section for the previous state fiscal year exceeds the difference, if greater than zero, resulting from subtracting the state share of baseline CalWORKs collections specified in the county's application from the department's estimate of the state share of total collections.

(d) The department shall review and evaluate the program specified in this section and shall report to the Legislature by June 30, 2000. The report shall include recommendations for legislative changes needed to make the program more effective.

SEC. 23. Section 17704 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17704. (a) For the 1998–99 fiscal year the department shall pay to each county a child support incentive payment. Every county shall receive the federal child support incentive. A county shall receive the state child support incentive if it elects to do both of the following:

(1) Comply with the reporting requirements of Section 17600 while federal financial participation is available for collecting and reporting data.

(2) Comply with federal and state child support laws and regulations, or has a corrective action plan certified by the department pursuant to Section 17702. The combined federal and state incentive payment shall be 13.6 percent of distributed collections. If the amount appropriated by the Legislature for the state incentives is less than the amount necessary to satisfy each county's actual incentives pursuant to this section, each county shall receive its proportional share of incentives.

(b) (1) Beginning July 1, 1999, the department shall pay to each county a child support incentive for child support collections. Every county shall receive the federal child support incentive. The combined federal and state incentive payments shall be 13.6 percent of distributed collections. In addition to the federal child support incentive, each county may also receive a state child support incentive. Subject to subdivision (c), a county shall receive the state child support incentive if it elects to do both of the following:

(A) Comply with the reporting requirements of Section 17600 while federal financial participation is available for collecting and reporting data.

(B) Be in compliance with federal and state child support laws and regulations, or have a performance improvement plan certified by the department pursuant to Section 17702.

(2) (A) For purposes of paragraph (1), the federal incentive component shall be each county's share of the child support incentive payments that the state receives from the federal government, based on the county's collections.

(B) (i) Effective July 1, 1999, and annually thereafter, state funds appropriated for child support incentives shall first be used to fund the administrative costs incurred by local child support agencies in administering the child support program, excluding automation costs as set forth in Section 10085 of the Welfare and Institutions Code, after subtracting all federal financial participation for administrative costs and all federal child support incentives received by the state and passed on to the local child support agencies. The department shall allocate sufficient resources to each local child support agency to fully fund the remaining administrative costs of its budget as approved by the director pursuant to paragraph (9) of subdivision (b) of Section 17306, subject to the appropriation of funding in the annual Budget Act. No later than January 1, 2000, the department shall identify allowable administrative costs that may be claimed for reimbursement from the state, which shall be limited to reasonable amounts in relation to the scope of services and the total funds available. If the total amount of administrative costs claimed in any year exceeds the amount appropriated in the Budget Act, the amount

provided to local child support agencies shall be reduced by the percentage necessary to ensure that projected General Fund expenditures do not exceed the amount authorized in the Budget Act.

(ii) Effective July 1, 2000, and annually thereafter, after allowable administrative costs are funded under clause (i), the department shall use any remaining incentive funds appropriated from the prior fiscal year which are hereby reappropriated to implement an incentive program that rewards up to 10 local child support agencies in each year, based on either their welfare and postwelfare collections or their increase in performance over the prior year. The welfare and postwelfare collections standard shall be based on the following for each local child support agency: (I) collections on behalf of previously aided families that received CalWORKs benefits and are no longer receiving benefits divided by the total number of those families; and (II) collections that are used to reduce or repay aid that is paid pursuant to Article 6 (commencing with Section 11450) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code, divided by the total aid paid out by the county under that article. The performance improvement standard shall measure the percent improvement for each local child support agency in the two categories of collections over the prior year. The department shall determine the number of local agencies that receive state incentive funds under this program, subject to a maximum of five agencies under the welfare and postwelfare standard and five agencies under the increase in performance over the prior year standard, and shall determine the amount received by each local agency based on the availability of funds and each local child support agency's proportional share of distributed collections. When the California Child Support Automation System is operational, the postwelfare collections standard shall be collections on behalf of previously aided families that received CalWORKs benefits after December 31, 1997, and are no longer receiving benefits, divided by the total number of those families.

(iii) Any funds received pursuant to this subdivision shall be used only for child support enforcement activities.

(c) (1) Beginning October 1, 1999, any county whose welfare performance score is in the bottom quartile of all counties and whose rate of improvement over the prior year is less than the rate of improvement of the top quartile of counties in terms of their rates of improvement shall receive its state incentive only upon accepting technical assistance from the department, as set forth in paragraph (3).

(2) The welfare performance score for each county is calculated by dividing the county's collections on behalf of children receiving CalWORKs benefits pursuant to Article 6 (commencing with Section

11450) of Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code by the county's average CalWORKs caseload.

(3) The department, in consultation with experts from other counties, as appropriate, shall conduct a program review of the county's child support program, which shall include a review of the county's management practices, and provide technical assistance. If the county chooses to receive its state incentives under this section, the county shall comply with the recommendations of this review.

(d) Each county shall continue to receive its federal child support incentive funding whether or not it elects to participate in the state child support incentive funding program.

(e) The department shall provide incentive funds pursuant to this section only during any fiscal year in which funding is provided for that purpose in the Budget Act.

SEC. 24. Section 17706 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

17706. It is the intent of the Legislature to encourage counties to elevate the visibility and significance of the child support enforcement program in the county. To advance this goal, effective July 1, 2000, the counties with the 10 highest welfare and postwelfare collections standards pursuant to clause (ii) of subparagraph (B) of paragraph (2) of subdivision (b) of Section 17704 shall receive an additional 5 percent of the state's share of those counties' collections that are used to reduce or repay aid that is paid pursuant to Article 6 (commencing with Section 11450) or Chapter 2 of Part 3 of Division 9 of the Welfare and Institutions Code. The counties are encouraged to use the increased recoupment to continue to increase child support collections in the county.

SEC. 24.5. Section 17710 of the Family Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session of the Legislature, is amended to read:

17710. (a) Each county shall be responsible for any administrative expenditures for administering the child support program not covered by federal and state funds.

(b) Notwithstanding subdivision (a), effective July 1, 1991, to June 30, 1992, inclusive, counties shall pay the nonfederal share of the administrative costs of conducting the reviews required under Section 15200.8 of the Welfare and Institutions Code from the savings counties will obtain as a result of the reduction in the maximum aid payments specified in Section 11450. Effective July 1, 1992, to June 30, 1993, inclusive, the state shall pay the nonfederal share of administrative costs of conducting the reviews required under Section 15200.8 of the Welfare and Institutions Code. Funding for county costs after June 30, 1993, shall be subject to the availability of funds in the annual Budget Act.

(c) If the federal government imposes a penalty on California's child support program for the failure to meet the October 1, 1997,

deadline for the implementation of an automated child support enforcement system required by the federal Family Support Act of 1988 (P.L. 100-485), no portion of any penalty imposed by the federal government from October 1, 1997, to the date of enactment of the act adding this subdivision shall be assessed against Los Angeles County.

SEC. 25. Section 19271 of the Revenue and Taxation Code, as amended by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

19271. (a) (1) For purposes of this article:

(A) “Child support delinquency” means a delinquency defined in Section 17501 of the Family Code.

(B) “Earnings” may include the items described in Section 5206 of the Family Code.

(2) In order to manage the growth in the number of delinquencies transferred, the Franchise Tax Board may phase in the transfers over a period of 36 months ending on December 31, 2002. The Legislature anticipates that the Franchise Tax Board’s systems necessary to accommodate the augmented collection activities will be operational by July 1, 2001. The Franchise Tax Board shall work with the Department of Child Support Services to coordinate the phasein, focusing on needed coordination with the transition of the local child support agency in each county from the office of the district attorney to the new county department of child support services.

(3) At least 20 days prior to the date that the Franchise Tax Board commences collection action under this article, the Franchise Tax Board shall mail notice of the amount due to the obligated parent at the last known address and advise the obligated parent that failure to pay will result in collection action. If the obligated parent disagrees with the amount due, the obligated parent shall be instructed to contact the local child support agency to resolve the disagreement.

(b) (1) (A) Except as otherwise provided in subparagraph (B), when a delinquency is transferred to the Franchise Tax Board pursuant to Section 17501 of the Family Code, the amount of the child support delinquency shall be collected by the Franchise Tax Board in any manner authorized under the law for collection of a delinquent personal income tax liability, except that issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding orders for taxes is prohibited. Any levy or other withholding of earnings of an employee by the Franchise Tax Board shall be made accordance with Section 5246 of the Family Code. Any other law providing for the collection of a delinquent personal income tax liability shall apply to any delinquency transferred under Section 17501 of the Family Code in the same manner and with the same force and effect and to the full extent as if the language of those laws had been incorporated in full into this article, except to the extent that any provision is either

inconsistent with a provision of this article or is not relevant to this article.

(B) When a delinquency is transferred to the Franchise Tax Board pursuant to Section 17501 of the Family Code, or at any time thereafter, if the obligated parent owes a delinquent personal income tax liability, the Franchise Tax Board shall not engage in, or shall cease, any involuntary collection action to collect the delinquent personal income tax liability, until the child support delinquency is paid in full. At any time, however, the Franchise Tax Board may mail any other notice to the taxpayer for voluntary payment of the delinquent personal income tax liability if the Franchise Tax Board determines that collection of the delinquent personal income tax liability will not jeopardize collection of the child support delinquency. However, the Franchise Tax Board may engage in the collection of a delinquent personal income tax liability if the obligor has entered into a payment agreement for the child support delinquency and is in compliance with that agreement, and the Franchise Tax Board determines that collection of the delinquent personal income tax liability would not jeopardize payments under the child support payment agreement.

(C) For purposes of subparagraph (B):

(i) “Involuntary collection action” includes those actions authorized by Section 18670, 18670.5, 18671, or 19264, by Article 3 (commencing with Section 19231), or by Chapter 5 (commencing with Section 706.010) of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure.

(ii) “Delinquent personal income tax liability” means any taxes, additions to tax, penalties, interest, fees, or other related amounts due and payable under Part 10 (commencing with Section 17001) or this part.

(iii) “Voluntary payment” means any payment made by obligated parents in response to any notice for voluntary payment mailed by the Franchise Tax Board.

(2) Any compensation, fee, commission, expense, or any other fee for service incurred by the Franchise Tax Board in the collection of a child support delinquency authorized under this article shall not be an obligation of, or collected from, the obligated parent. A transferred child support delinquency shall be final and due and payable to the State of California upon written notice to the obligated parent by the Franchise Tax Board.

(3) For purposes of administering this article:

(A) This chapter and Chapter 7 (commencing with Section 19501) shall apply, except as otherwise provided by this article.

(B) Any services, information, or enforcement remedies available to a local child support agency or the Title IV-D agency in collecting child support delinquencies or locating absent or noncustodial parents shall be available to the Franchise Tax Board for purposes of



collecting child support delinquencies under this article, including, but not limited to, any information that may be disclosed by the Franchise Tax Board to the California Parent Locator Service under Section 19548. However, in no event shall the Franchise Tax Board take any additional enforcement remedies if a court has ordered an obligor to make scheduled payments on a child support arrearages obligation and the parent is in compliance with that order.

(C) A request by the Franchise Tax Board for information from a financial institution shall be treated in the same manner and to the same extent as a request for information from a local child support agency referring to a support order pursuant to Section 17400 of the Family Code for purposes of Chapter 20 (commencing with Section 7460) of Division 7 of Title 1 of the Government Code (relating to governmental access to financial records), notwithstanding any other provision of law which is inconsistent or contrary to this paragraph.

(D) The amount to be withheld in an order and levy to collect child support delinquencies under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure is the amount required to be withheld pursuant to an earnings withholding order for support under Section 706.052 of the Code of Civil Procedure.

(E) Nothing in this article shall be construed to modify the tax intercept provisions of Article 8 (commencing with Section 708.710) of Chapter 6 of Division 2 of Part 2 of the Code of Civil Procedure.

(c) Interest on the delinquency shall be computed pursuant to Section 685.010 of the Code of Civil Procedure.

(d) (1) In no event shall a collection under this article be construed to be a payment of income taxes imposed under this part.

(2) In the event an obligated parent overpays a liability imposed under this part, the overpayment shall not be credited against any delinquency collected pursuant to this article. In the event an overpayment of a liability imposed under this part is offset and distributed to a local child support agency pursuant to Sections 12419.3 and 12419.5 of the Government Code or Section 708.740 of the Code of Civil Procedure, and thereby reduces the amount of the referred delinquency, the local child support agency shall immediately notify the Franchise Tax Board of that reduction, unless the Franchise Tax Board directs otherwise.

(e) (1) The Franchise Tax Board shall administer this article, in conjunction with regulations adopted by the Department of Child Support Services in consultation with the Franchise Tax Board, including those set forth in Section 17306 of the Family Code.

(2) The Franchise Tax Board may transfer to or allow a local child support agency to retain a child support delinquency for a specified purpose for enforcement and collection where the Franchise Tax Board determines, pursuant to regulations established by the



Department of Child Support Services, that the transfer or retention of the delinquency for the purpose so specified will enhance the collectibility of the delinquency.

(3) The Franchise Tax Board, in coordination with the local child support agency, shall seek full compliance by the obligor with the child support order. The Franchise Tax Board, in coordination with the local child support agency and the Department of Child Support Services, shall pursue resolution of any issues regarding wage assignments and shall modify or replace as necessary any administratively county-issued wage assignments to achieve total resolution of the child support obligation.

(f) Except as otherwise provided in this article, any child support delinquency transferred to the Franchise Tax Board pursuant to this article shall be treated as a child support delinquency for all other purposes, and any collection action by the local child support agency or the Franchise Tax Board with respect to any delinquency referred pursuant to this article shall have the same priority against attachment, execution, assignment, or other collection action as is provided by any other provision of state law.

(g) Except as otherwise specifically provided in subparagraph (B) of paragraph (1) of subdivision (b), the child support collection activities authorized by this article shall not interfere with the primary mission of the Franchise Tax Board to fairly and efficiently administer the Revenue and Taxation Code for which it is responsible.

(h) Information disclosed to the Franchise Tax Board shall be considered information that may be disclosed by the Franchise Tax Board under the authority of Section 19548 and may be disseminated by the Franchise Tax Board accordingly for the purposes specified in Sections 17505 and 17506 of the Family Code (in accordance with, and to the extent permitted by, Section 17514 of the Family Code and any other state or federal law).

(i) A local child support agency may not apply to the Department of Child Support Services for an exemption from the transfer of responsibilities and authorities to the Franchise Tax Board under the Family Code or participation under Section 19271.6.

(j) Except in those cases meeting the specified circumstances described in the regulations and in accordance with the process prescribed in paragraph (2) of subdivision (d) of Section 17501 of the Family Code, a local child support agency shall not withdraw, rescind, or otherwise recall the transfer of a child support delinquency transferred to the Franchise Tax Board.

SEC. 26. Section 19272 of the Revenue and Taxation Code, as amended by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

19272. (a) Any child support delinquency collected by the Franchise Tax Board, including those amounts that result in

overpayment of a child support delinquency, shall be deposited in the State Treasury, after clearance of the remittance, to the credit of the Special Deposit Fund and distributed as specified by interagency agreement executed by the Franchise Tax Board and the State Department of Social Services, with the concurrence of the Controller. Notwithstanding Section 13340 of the Government Code, all moneys deposited in the Special Deposit Fund pursuant to this article are hereby continuously appropriated, without regard to fiscal years, for purposes of making distributions.

(b) When a child support delinquency, or any portion thereof, has been collected by the Franchise Tax Board pursuant to this article, the local child support agency shall be notified that the delinquency or some portion thereof has been collected and shall be provided any other necessary relevant information requested.

(c) The referring local child support agency shall receive credit for the amount of collections made pursuant to the referral, including credit for purposes of the child support enforcement incentives pursuant to Section 17704 of the Family Code. Collection costs incurred by the Franchise Tax Board shall be paid by federal reimbursement with any balance to be paid from the General Fund.

(d) For amounts to be paid as a result of the Franchise Tax Board's activities taken pursuant to this chapter or Section 17501 of the Family Code, the Franchise Tax Board shall notify the obligor or third party to make the required payment directly to the local child support agency that referred the delinquency to the Franchise Tax Board for deposit, cashing, and disbursement of the payment, regardless of the form and manner for making the payments, including electronic means. The Franchise Tax Board may, subject to approval by the Department of Child Support Services, phase in this responsibility for the local child support agency to deposit, cash, and disburse payments collected pursuant to the Franchise Tax Board accounts receivable management functions only to the extent necessary to ensure that the local child support agency is capable of accepting payment in the form and manner provided.

(e) When the statewide disbursement unit is operational, the obligors and third parties shall be directed to make child support payments to that unit instead of the counties, in accordance with the Department of Child Support Services regulations.

SEC. 27. Section 19275 is added to the Revenue and Taxation Code, to read:

19275. For purposes of Parts 10 (commencing with Section 17001), 10.5 (commencing with Section 20501), and 11 (commencing with Section 23001), any reference to the district attorney or counties, the State Department of Social Services, or the Statewide Automated Child Support System, as it relates to the collection, enforcement, or accounts receivable management of child support under the Family Code or the Welfare and Institutions Code shall



mean the local child support agency, the Department of Child Support Services, and the California Child Support Automation System, respectively, in keeping with the changes and transition of authority and responsibilities as required under the Family Code and the Welfare and Institutions Code.

SEC. 28. Section 1088.8 of the Unemployment Insurance Code, as added by Assembly Bill 196 of the 1999–2000 Regular Session, is amended to read:

1088.8. (a) Effective January 1, 2001, any service-recipient, as defined in subdivision (b), who makes or is required to make a return to the Internal Revenue Service, in accordance with paragraph (A) of subdivision (a) of Section 6041 of the Internal Revenue Code (relating to payments made to a service-provider as compensation for services) shall file with the department information as required under subdivision (c).

(b) For purposes of this section:

(1) “Service-recipient” means any individual, person, corporation, association, or partnership, or agent thereof, doing business in this state, deriving trade or business income from sources within this state, or in any manner in the course of a trade or business subject to the laws of this state. “Service-recipient” also includes the State of California or any political subdivision thereof, including the Regents of the University of California, any charter city, or any political body not a subdivision or agency of the state, and any person, employee, department, or agent thereof.

(2) “Service-provider” means an individual who is not an employee of the service-recipient for California purposes and who received compensation or executes a contract for services performed for that service-recipient within or without the state.

(c) Each service-recipient shall report all of the following information to the department, within 20 days of the earlier of first making payments that in the aggregate equal or exceed six hundred dollars (\$600) in any year to a service-provider, or entering into a contract or contracts with a service-provider providing for payments that in the aggregate equal or exceed six hundred dollars (\$600) in any year:

(1) The full name and social security number of the service-provider.

(2) The service-recipient’s name, business name, address, and telephone number.

(3) The service-recipient’s federal employer identification number, California state employer account number, social security number, or other identifying number as required by the Employment Development Department in consultation with the Franchise Tax Board.

(4) The date the contract is executed, or if no contract, the date payments in the aggregate first equal or exceed six hundred dollars (\$600).

(5) The total dollar amount of the contract, if any, and the contract expiration date.

(d) The department shall retain information collected pursuant to this section until November 1 following the tax year in which the contract is executed, or if no contract, the tax year in which the aggregate payments first equal or exceed six hundred dollars (\$600).

(e) Information obtained by the department pursuant to this section may be released only for purposes of establishing, modifying, or enforcing child support obligations under Section 17400 of the Family Code and for child support collection purposes authorized under Article 5 (commencing with Section 19271) of Chapter 5 of Part 10.2 of the Revenue and Taxation Code, or to the Franchise Tax Board for tax enforcement purposes or for administering the provisions of the Family Code.

(f) This section shall become operative on January 1, 2001.

SEC. 29. Section 15200.81 of the Welfare and Institutions Code, as amended by Section 34 of Chapter 147 of the Statutes of 1999, is repealed.

SEC. 30. Section 18205 of the Welfare and Institutions Code, as added by Chapter 606 of the Statutes of 1997, is amended and renumbered to read:

18205.5. The Director of Child Support Services may, pursuant to this article, approve county demonstration projects to provide employment and training services to nonsupporting noncustodial parents of children who are recipients of aid under Chapter 2 (commencing with Section 11200) of Part 3. In a county operating a demonstration project pursuant to this section, the superior court may order a nonsupporting noncustodial parent of a child receiving aid under Chapter 2 (commencing with Section 11200) of Part 3 to participate, as appropriate, in job training, job search, vocational rehabilitation, and other work activities, as well as in parental development training. The superior court county department of child support services, and the county welfare department, in a demonstration county, shall all agree to cooperate in the operation of the demonstration project.

